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ABSTRACT

This study analyzes the process used in developing the 1977-78 operating budget of the Philadelphia school district. The purpose of the study was to determine what changes are required to assure greater efficiency and effectiveness in resource allocations in the face of increasingly scarce funds available to urban public school systems. Using a questionnaire, the study quizzes administrators on how decisions are made regarding the allocation of available revenue. It concludes that the school district has great difficulty developing a budget that emphasizes education, satisfies the political powers, and is acceptable to employee unions. (Author/LD)

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THE BUDGET DEVELOPMENT PROCESS:
A CASE STUDY OF
THE PHILADELPHIA SCHOOL DISTRICT
1977

Prepared for
School Capacity For Problem Solving
Small Grant Proposal #7-1012
National Institute of Education

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CHAPTER I

INTRODUCTION

Rationale for Study

The end of the post-World War II baby boom, which resulted in record birth levels in the period 1947-67, has resulted in a steady decline in public school enrollments since the peak of 46.1 million students in 1970-71. In the 1976-77 school year, 1.7 million fewer students were enrolled in public schools than in 1970-71, and projections for 1983-84 indicate a 12.5 percent decrease since the peak year.

While enrollment nation-wide has been steadily decreasing, students in urban schools have become increasingly non-white and poor, and the deteriorating tax base of cities has produced relatively scarcer resources for dealing with greater needs of the new urban immigrants

During the same post-war period, the United States has also experienced dramatic shifts in public attitudes toward public education. The orbiting of Sputnik in 1957 served to mobilize demands for greater investment in education, particularly in the scientific and technical fields. The "New Frontier" and the "Great Society" aroused optimism that government could, in fact, serve as the vehicle for conquering every social ill. In combination with civil disorders in every major city in the mid-1960's, this view about governmental responsibility produced scores of new federal programs and major foundation efforts such as the Ford Foundation's Great City Schools Program, to both assist urban children in overcoming the effects of poverty and educational inequality, and to empower their parents and neighbors to influence more effectively the nature and scope of programs in housing, education, employment and community development.

This climate of rising demands on governmment and rising expectations of government was quickly dampened by the economic drain of the Vietnam War and the classical liberalism/"benign neglect" of the Nixon era. Disillusionment, compounded by spiraling costs and declining achievement levels, led to serious questioning about the ability of the public schools even to educate much less to cure a variety of social ills.

As teachers and other school employees have unionized and succeeded in gaining substantial salary increases and improvements in working conditions since the late 1960's, the soaring costs of public education have exacerbated already waning public confidence. Hummel and Nagle report that in fifteen large urban school systems the average increase in total expenditures for public education between 1960 and 1970 was 145 percent, while the nation-wide average increase was 135 percent.[1] Concurrent increases in state and federal spending for non-school services, and inflation in the cost of goods and services produced the demand for a halt in public spending, for which public schools served as a most visible target.

In 1978, Youngstown, Ohio schools were closed for six weeks because voters refused to approve the budget. Between September 1976 and March 1977 school systems in Ohio, Connecticut and Oregon were casualities of the "taxpayer revolt." Voter rejection of proposed school bonds has reached record proportions across the nation.

An April, 1976 Gallup Poll found that fifty-five percent of the adult population want school expenditures to decrease in proportion to declining enrollment. Pierce reports that in Minnesota such a policy would save an estimated $550 million over the next ten years, a savings which the state's Finance Commissioner assumes Minnesotans would support far more strongly than smaller classes and additional programs.[2]

Every level of government and every arena of public service have become subject to challenge and pressure on the traditional bureaucratic and political structures to find ways of delivering services more effectively and efficiently. Nowhere have these demands been sharper than in the large cities, whose futures, observers claim, are inextricably tied to the quality of their schools.

> We are all myopic. A bewildered educational and political leadership rides out one urban crisis after another as it gropes for ways to restore order.[3]

The Philadelphia School District

The fourth largest public school system in the nation, The Philadelphia School District's enrollment in 1977-78 was 253,000 children and its payroll included 12,800 teachers and 900 administrative and supervisory personnel. Its 8,071 classrooms are spread among 282 schools which are organized into eight geographical sub-districts for administrative purposes. Sixty-two percent of the students are Black, six percent are Hispanic and thirty-two percent are white.[3]

In the Spring of 1977, the school district projected expenditures for the 1977-78 fiscal year of $684 million and anticipated revenues of $511 million. Expenditures were projected at a level of services identical to the 1976-77 fiscal year with the exception of a $9 million expansion in special education required by state and federal governments. While the 1976-77 operating budget was $606 million, the additional $78 million for a "standstill" budget was required for mandated salary increments and increases, a two percent inflation in the costs of materials and supplies, and modest adjustments in the cost of utilities.

The projected deficit of $173 million was nearly one-quarter of projected expenditures in 1977-78 and $20 million more than the entire budget in 1965. Philadelphia's school budget more than tripled in a decade--from $213 million in 1967-68 to a projected $684 million in 1977-78--primarily because of higher salaries and more employees. The average teacher's salary increased from $8,800 in 1967 to $19,600 in 1977. The number of employees rose from 20,200 to 25,800 (27.8 percent) in the same decade, despite a 28,000 decrease in the number of students.[4]

In addition to a large payroll, the school system is a complex institution, providing educational services to infants and adults as well as school-age children and health, nutrition and transportation services in addition to education. Its educational services are geared to a diversity of clientele from the profoundly retarded to the academically talented, from conventional "back-to-basics" schools to a host of less structured alternative programs, from vocational training to college preparation. Its more than a quarter of a million students include more than sixty percent from families on public assistance, as well as the children of upper middle class professionals and business people.

Purpose

This study analyzes the process used in developing the 1977-78 Operating Budget to determine what changes are required to assure greater efficiency and effectiveness in resource allocation in the face of increasingly scarce funds available to urban public school systems.

Scope and Limitations

Focus

Much of the pressure and difficulty of budget development, particularly in an urban school system which suffers from a declining tax base, an increasingly poor and low-achieving student population, and competition for local tax dollars from a plethora of non-educational services such as police and fire, sanitation, health and transportation, is the inadequacy of the existing revenue base. The equity of various state financing systems as they affect poor school districts has been the subject of extensive research and litigation, the outcome of which holds promise for increasing available revenue in urban school districts and thus relieving the pressure to reduce service and staffing levels. This study does not address the issue of the amount of available revenue but focuses on how decisions are made regarding the allocation of available revenue.

Method

The case study method does not permit generalization of findings, conclusions or implications. The development of the conceptual framework was intended to offset this limitation by introducing in a speculative manner those elements from which generalizations may be derived.

Interviews

1. The investigator was both a member of a Budget Task Force (BTF) of citizens involved in the development of the 1977-78 Operating Budget and, at the time of the interviews, the president of an advocacy group which had been represented on the BTF and which was involved in the review of the Operating Budget for 1978-79. Thus there may have been a tendency on the part of school officials interviewed to be less critical of the BTF than they may have been with a disassociated investigator.

2. The interviews were conducted nine to eleven months after the conclusion of the BTF's work. Some responses, therefore, may be less accurate than if the interviews had been administered sooner.

3. While all respondents except the Superintendent and the Board liaison to the BTF were given assurances of anonymity, the taping of the interviews may have had a restraining effect on some respondents.

Definition of Terms

Adopted budget. The pattern of expenditures approved by majority vote at an official meeting of the board of education.

Balanced budget. A pattern of expenditures in which expenditures do not exceed revenues.

Budget development. The range of activities beginning with the establishment of financial and/or programmatic criteria and culminating in a written budget document proposing a given pattern of resource allocation.

Cabinet officials. The Managing Director, the Deputy Superintendent for Field Operations, and the Deputy Superintendent for Curriculum and Instruction, during the period of the BTF's operation and the conduct of interviews for the study.

Capital budget. The document proposed by the Superintendent and adopted by the Board which sets forth expenditures for the construction or acquisition and financing of facilities, land and major equipment for the fiscal year.

Conceptual framework. An analytical construct which identifies elements to be incorporated into the design of a systematic and comprehensive entity, which in application may be described as a model.

Deficit. Excess of expenditures over revenues.

Educational (Supplement to the) Home Rule Charter. A document adopted by the voters of Philadelphia in May, 1965 which sets forth the manner of selection of Board members, the roles and duties of the Board and Superintendent, and procedures for the adoption of budgets for the Philadelphia School District.

Internal personnel ("insiders"). Board members and administrators.

Manager. A central administration staff member with responsibility for a program or activity which appears as a line item in the operating budget.

Operating budget. The document proposed by the Superintendent and adopted by the Board which sets forth how state, local and non-categorical federal funds are to be expended during the fiscal year. (Note - Philadelphia is the only school district in Pennsylvania which uses a separate budget for categorical federal funds.)

"Outsiders". Persons other than board and staff members who represent organizations and interest which seek to influence educational affairs.

Proposed budget. A pattern of expenditures proposed by the superintendent for formal action by the Board of Education.

Resource allocation. The process through which revenues are assigned to specific categories of expenditures.

School (system) officials. Members of the local board of education and school employees with major administrative responsibilities at the system-wide level.

Zero-based budgeting. A technique for resource allocation which begins with zero and adds expenditures incrementally, consistent with stated priorities, up to but not an exceeding predetermined ceiling.

CHAPTER II

METHODOLOGY

Data Collection

To obtain information from the key parties involved in the development of the 1977-78 Operating Budget, ten persons were interviewed: the Superintendent, the Deputy Superintendents for Field Operations and Curriculum and Instruction, the Managing Director for Administrative Services, the five members of the Budget Task Force, and the Board of Education member who served as liaison to the BTF.

The BTF members represented five civic organizations: Home and School Council, Parents Union, Citizens Committee on Public Education in Philadelphia, the Greater Philadelphia Chamber of Commerce and the Advisory Council on Career Education. While the BTF itself did not have a significant impact on the development of the budget, its existence represented a major departure from past practices in budget development because it provided those outside the system an opportunity to make an exhaustive analysis of budget information including interviews with all program and activity managers and to prepare budget recommendations to the Superintendent prior to his presentation of the Proposed Operating Budget to the Board of Education.

In addition to the interviews with those who were closely involved in budget development, interviews were conducted with all the members of the Board of Education to ascertain their views on the budget development process, particularly in terms of interaction among the Board, the Superintendent and staff and the public-at-large.

Data Utilization

Responses to the 1977-78 Budget Development Interview questions were collated and tabulated by category of respondents. Responses to Board Interview questions were collated and tabulated for the Board as a whole. Responses were analyzed in terms of congruence and divergence within and among groups, and the discussion of responses emphasizes potential explanations for the patterns of responses.

Several of the questions in the 1977-78 Budget Development Interview Schedule relate to the particular role, functions and perceptions of the BTF and its interaction with other parties within and outside the school system. While it is not the purpose of this study to assess the impact of the BTF, an orientation to the work of that group provided a basis for exploring other aspects of the budget development process, given the investigator's participation on the BTF.

CHAPTER III

REVIEW OF THE LITERATURE

Organizational Theory

Much of the literature which relates to this investigation from the field of organizational theory focuses on school systems as bureaucracies, characterized by large size, specialization, hierarchy, status, authority, cooptation, rationality and freedom from conflict--all characteristics which Hummel and Nagle contend are "deliberately designed to protect personnel from rather than involve them in competing forces."[5]

Notwithstanding a desire for insulation from potentially conflicting forces outside the bureaucracy, school systems have been unable to pursue a course of total introversion because of their very nature as social systems. Parsons conceptualizes the central problems of any social system as achieving goals, integrating activities, adapting to change, and maintaining legitimacy and viability,[6] legitimacy involving meeting the requirements of society in general and the immediate community in particular.[7] Achievement of legitimacy requires that a school system measure itself by the community's yardstick, not its own; if, for example, a community defines a goal of schooling as preparation for entry level jobs in the economy of that community, and the schools fail to turn out students with the requisite academic and technical skills for those jobs, the school system will fail to possess legitimacy in the minds of the citizenry with regard to this goal.

Big city school systems with high proportions of poor and minority children have not fared well in retaining students through grade twelve or in educating those who do graduate to a level where they can successfully compete for jobs or higher education. Thus, their legitimacy has been substantially eroded, particularly in the view of the business community and those parents with sufficient wealth to either move to the suburbs or send their children to private schools.

While bureaucracy has been the traditional organizational form of school systems since the "reform" period of the early twentieth century, when the domination of ward bosses ended,[8] the later third of the twentieth century has been marked by numerous searches for a more acceptable organizational form. Bennis, in an article entitled "Beyond Bureaucracy,"[9] sees the emergency of a new organizational pattern of temporary systems responding to problems rather than role expectations. Wolin[10] sees an organic perspective in which an organization continuously adjusts to the needs, sentiments and emotions of its members and whose primary purpose is the promotion of the values of social stability, cohesion and integration.

Whatever the adaptations and variations of bureaucracy, it is important to remember that organizations exist primarily to attain specific purposes[11] and that bureaucracy, despite its numerous liabilities, remains the basic representation of legal authority and a persistent discouragement of arbitrary and capricious rule.[12] The issue is not whether to have bureaucracy but "how best to coordinate human activities in order to make a highly rational unit, and at the same time to maintain social integration, the normative commitments of participants, and their motivation to participate."[13]

In the organizational theory context, bureaucracy is a closed system strategy assuming a rational model in which everything is functional. Every action and resource is chosen for the optimality of its contribution to goal achievement, and every component of the structure and the relationships between and among components are designed to produce maximum efficiency.[14]

In contrast with the closed system/bureaucracy model, the natural/open system model emphasizes the organization's interdependence with a larger environment. The parts of the system and their relationships in the open framework "are determined through evolutionary processes" which produce homeostasis, thus enabling the organization to survive.[15]

An important contrast between closed and open systems in organizational theory is in their view of causality. The former presumes a complete knowledge of cause/effect relationships because "all consequences of action are contained within the system and all courses of action stem from within it."[16] The latter presumes that "causal actions often have multiple effects which ramify in different directions and varying distances into the future. Effects within the system may stem from action outside it."[17]

Thompson's analysis of organizational behavior merges the conventional "closed" vs. "open" system analyses into a recognition of the relationship between the organization and its environment (the open model) and an emphasis on performance and deliberate decisions (the closed model). His eclectic approach is of greater relevance than either the pure open or pure closed model in analyzing large, complex urban school systems for several reasons:

1. Courses of action are not solely determined in internal members of the system. The U. S. Congress, Pennsylvania Legislature and Philadelphia City Council, State and Federal education officials and courts at all levels of government have the power to impose mandates, programs, policies and constraints on the School District.

2. Collective bargaining agreements covering ninety-nine percent of the school system's employees require adherence to enumerated policies and past practices. While these agreements are

not imposed on the system, they do involve acceptance of constraints which are difficult to remove once agreed to.

3. In addition to the courses of action determined by other governmental units and employee groups, the consequences of the school system's actions reach far beyond the system itself. Opportunities for higher education and employment are a direct outcome of the quality of education students receive and thus impact not only on students and their families, but also on post-secondary educational institutions and employers throughout the metropolitan area.

4. The learning process itself is not sufficiently understood to permit accurate prediction. Educators and educational researchers still know relatively little about what curricula and instructional techniques are most effective for different kinds of students. Even when such knowledge is available, the problems of replication, modification and substitution remain, since vested interests in behalf of the status quo are difficult to challenge.

5. Schooling is not the only determinant of educational achievement. Class, race, sex, culture, religion, parenting, and television, for example, have a significant influence on children prior to school attendance and continue to influence educational achievement throughout the school years.

Notwithstanding these factors which point to the school system as a product of its environment (the open model), school systems frequently behave as closed systems when it comes to community (i.e., informal) participation.

Contrastingly, they are subjected to the closed system requirements of effective and efficient performance by the community's insistence that schools educate children in spite of all the external forces beyond the system's control. This dichotomy has been the focus of great tension within large cities where parents seek greater control in educational matters because school officials have failed to educate their children, while school officials blame parents for failing to provide the necessary support for the educational process, for example, homework supervision, consultation with teachers, discipline, etc. This conflict, repeated hundred of times in the past decade in scores of big city school systems across the nation, points to an apparent danger in the application of Thompson's eclectic model for analyzing school systems: unless all parties share a common perception of what are the closed and open elements of the organization's structure and behavior, they will never reach consensus on what ought to be and how it is to be attained.

Thompson's analysis of coalitions is particularly appropriate to this investigation. He contends that coalitions evolve when dependence exceeds power. In this situation, the organization leader sees a coalition as an instrument for increasing his power to outweigh his dependence when the organization is vulnerable.

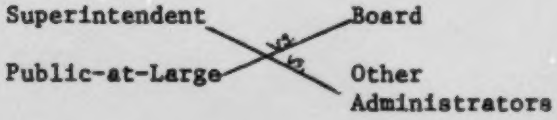
While acknowledging the particular problems of professional/lay coalitions, Thompson fails to identify school systems as unique institutions wherein ultimate control is in the hands of laymen. Following Thompson's construct, we would predict conflict occurring mot frequently between the educators and citizens.

Professionals		Laymen
Superintendent	vs.	Board
Administrators		Public-at-Large

But such an interpretation fails to account for the fact of possible coalitions between the Superintendent and community against the Board and other administrators, or the potential for such conflict between any of these groups.

Superintendent		Board
Public-at-Large	vs.	Other Administrators

OR



Thompson's analysis of administrative styles is entirely consistent with practices of the Philadelphia School District. The most common style, "problemistic search" or simple problem-solving, entails waiting for a problem to appear and stopping once it is solved. In contrast, "opportunistic surveillance" entails scanning the environment for opportunities to deal with situations before they become problems.

Thompson attributes the infrequency of opportunistic surveillance to both individual characteristics of administrators and the structure of the organization. In the former category are: the "office-holding" rather than "accomplishment" orientation; the preference for short-term, quantitative actions based on precedent rather than long-term, qualitative actions involving innovation; and intolerance of ambiguity. In the latter category are: lack of distinction between managerial and institutional matters; diffusion of power to the extent that no inner circle emerges to give direction to the organization; and lack of knowledge about how to improve organizational design and structure to more rationally respond to uncertainty.

Thompson's recommendations for preventing failure in the administrative process indicate a lucid understanding of the weaknesses of standard personnel practices in education. In shifting entrance requirements to administrative competencies instead of technical (teaching) prerequisites, Thompson claims that school systems will have a larger pool of talent from which to select and will diminish the conflict between professionals and lay board members. This latter claim is somewhat extravagant since non-educator professionals are just as likely to come in conflict with lay policy-makers as educators, and since conflict between different professionals (i.e., manager vs. educator) is likely to be increased if the chief executive officer has not "come up through the ranks."

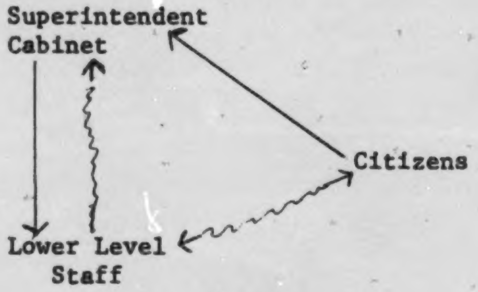
Other useful conceptualizations of organizational behavior which focus on conflict resolution and participation come from both organization theorists and social welfare practitioners. Cyert and March [18] conceptualize a bargaining model in which conflicting demands of different parties are accommodated through loose coalitions of actual or potential members of an organization. This model assumes the existence of active, interdependent participants whose demands on the organization not only conflict at any given time, but which may also change time as a result of changing aspiration levels of coalition members. The bargaining model, while essentially political in nature, is firmly rooted in acceptance of the traditional bureaucratic concepts of "uncertainty avoidance" and "quasi-resolution of conflict."[19] This construct is particularly valuable in assessing relationships between and among members of the four groups to be interviewed and in determining the applicability of the BTF approach to other crucial aspects of school planning such as goal-setting, determination of priorities and evaluation. The dynamic nature of the Cyert and March construct emphasizing shifting coalitions and aspirations over time provides an important dimension to the case study approach.

Simon's problem-solving model,[20] unlike the bargaining model, emphasizes control of the decision-making process by parties within the organization. While it does not suggest the direct involvement of persons outside the organization in policy formulation, it implies the possibility of indirect control.

Incorporating elements from these models as well as from Thompson, Hall [21] suggests a typology of strategies for goal determination which emphasizes environmental conditions. The competition strategy excludes outsiders from the decision-making process. The three cooperative strategies provide increasingly greater control by outsiders over policy: the bargaining strategy, characterized by tradeoffs between insiders and outsiders; the cooptation strategy, through which insiders make deliberate efforts to get outsiders in; and the coalition strategy, in which joint decision-making occurs.

In contrast to Thompson, Cyert and March, Simon and Hall, Argyris[22] looks within the organization itself for the prerequisites of effectively coping with conflict from outside. Contending that no organization can relate effectively to the larger environment in which it functions unless it is internally opened to broader participation by lower level employees within, Argyris views the traditional bureaucratic hierarchy (pyramid) as excluding important variables such as self-acceptance, originality, responsibility, psychological success and essentiality.

Argyris' theory is both unusual and important to an understanding of organizational behavior and clear applicability to budget development and citizen participation.



If the straight lines denote influence and the rippled lines denote conflict, one could assume, according to Argyris' construct, that the absence of internal participation would create resentment by lower level employees of both the upper echelons and the outsiders with whom they interact. It is likely that such resentment would produce attempts to sabotage external participation. The proposed investigation will deal with these phenomena through questions about lower level staff reaction posed to members of the four groups.

Political Science

While organizational theory defines closed system in the sense of rationality and preditability, political science offers a different focus on the same phenomenon, emphasizing the extent to which those outside the system are excluded from its work. While both definitions denote self-containment, the political orientation is the product of distinct historical forces which are responsible in large part for the current pressure for wider participation by citizens and greater accountability of school officials.

The politics of education was a matter assiduously avoided by educators and political scientists until the early 1960's, when "the reign of many years of the apolitical myth in education"[23] finally succumbed to the force of reality.

Lacking an historical context, it is difficult to imagine how the myth endured for so long, since school systems have long contained all the "dynamic elements of politics," which Englert, et al enumerate as: competing vested interests, pressure group tactics, conflicts, power, influence, policy-making by an authoritative body and the resultant policies.[24]

During the nineteenth century, American school boards were the focus of neighborhood and community power and were largely responsible for running the schools except for curriculum and supervision. The old politics of education was played in an arena in which the ward bosses used the school system as "a hiring hall for custodians and even for teachers and principals. Jobs and contracts were redistributed to the new immigrant masses."[25]

Between 1890 and 1920, a coalition of businessmen, college presidents, journalists and upper middle class professionals dismantled the ward-based politics of education and put in its place a centralized, professionalized system. In the name of taking the schools out of politics, the reformers simply substituted their brand of politics for that of the lower and working classes. "Henceforth, the schools would be run by a 'guardian' class who because of their own superior education presumably knew what kind of schools should be maintained."[26]

The new ingredients of educational reform made school systems comparable to the railroads: a centralized board which would work on broad policy matters, a highly paid chief executive officer, decreased lay participation and minimal teacher participation--"essentially elitist, conservative, and a reaction against the immigrant ethnic groups and their interest in getting control of the schools to maximize the economic mobility of their people."[27] Claiming to have improved education by removing politics from it, "the reformers believed less in the people and more in the possibility of philosopher kings."[28]

The perpetuation of the apolitical myth was as high-sounding as it was politically useful to both board members and the professional educators they hired. The former had all the opportunities for jobs and contracts held by their predecessors while being acclaimed for "civic-mindedness." The latter could pretend to be apolitical when such a pretense was useful, could demand and receive insulation from politics, and, under the guise of professional autonomy, could ignore the desires of the community.[29] Only when the New Frontier brought a call for change throughout American life did it become apparent that these practices limited the effectiveness of school systems in gaining public support.

The effect of the succeeding "new politics" is best described in Drachler's chronicle of Detroit's experience with citizen advisory committees between 1957 and 1968:

> ...the first committee "thanked" the board for being involved and the third declared that it would not disband until its recommendations were implemented."[30]

Having himself been in the eye of stormy school conflict in a conflict-wracked city, Drachler gives the new politics of education 1960's style high marks:

> School boards that were prepared "to open the books," able "to stand the heat" and wise enough not "to jump the gun" with recommendations of their own while the (citizen advisory) committee was still at work, gained from the process.[31]

Not surprisingly, board members of lesser "enlightenment" rapidly became the objects of intense and frequently bitter political activity, and school boards the subject of careful scrutiny and evaluation. As Cronin contends:

> "Participants in school struggles often view the school board as generals view a beachhead--something to be won as a first step toward a more substantial goal. Such a perception may shock the tender-hearted, those who not only still insist that schools must be removed from politics but who refuse to understand that there is a politics of education. On the other hand, the need to win or change a school board may confirm the worst suspicion of those who consider American society unnecessarily hierarchial and oligarchical with power accruing to a chosen few at the top."[32]

Beyond the sharpened attention on school boards, the new politics in education also reflects a societal concern for decentralizing large organizations and a search for participation in an increasingly distant and atomistic environment. Cronin suggest that the more radical social welfare programs provide a useful focus for these broader concerns since such programs "recognize both the need for client control of services and the wall of impersonality erected by independent professionals."[33]

School System Organization and Operation

Since the establishment of free universal public education in the early and mid 1800's, the local board of education has been perceived as the primary vehicle through which the schools remain accountable to the citizenry.[34] Unlike other professions which are largely self-regulating in terms of defining standards of admission to the profession, establishing policy for practive, and exercising sanction for misconduct, public education has since its inception been subject to lay control at both state and local levels. Notwithstanding numerous attempts by educators to alter that arrangement, public education remains, both in theory and law, in the control of non-educators because it exists as a monopoly within any community. If one does not like one's lawyer or doctor, one finds another. But if a parent does not like the school system, there is no other to be found without moving to a different community, so a vehicle for changing the system or keeping it responsive to the will of the people must exist, and that vehicle is the board of education.

Across the nation, boards are strikingly similar in their roles and responsibilities:[35] they hire and fire superintendents, adopt budgets, approve the hiring of personnel and contracts, and make educational policy which is then carried out by the staff. The similarity does not end with formal duties, for in many communities--large and small, rich and poor, Black and white, professional and blue-collar, Christian and Jewish--continual disagreement occurs over the often hazy line between policy-making and administration, and over the frequency with which boards serve as a rubber stamp for the superintendent.[36]

However sharp these disagreements about board behavior, few outside the education profession think that boards should cease to exist. In fact, when former Mayor Beame announced in the summer of 1977 a proposal to absorb the school system into city government and relegate the New York City Board of Education to a largely ceremonial role, his plan was met with strong protest and quickly withdrawn. The citizenry and mass media in New York City had hardly been in a honeymoon relationship with the Board of Education, and yet the prospect of replacing laymen with educators and bureaucrats made ardent supporters out of persistent critics.

Likewise, the school district consolidation movement, which, for example, in Pennsylvania, reduced the number of school districts from approximately 2,000 to 500, brought howls of protest from citizens who feared the erosion of local control. While consolidation did not threaten to replace lay boards with professional control, its opponents feared that larger districts would ultimately produce more bureaucracy and reduce the citizens' possibilities of influencing the course of public education in their communities.

Whether lay control and local control are fictions or anarchronisms in a post-industrial, technological society remains the subject of intense debate. But whatever the facts, there remains a strong belief that education is the last vestige of localism and lay control and must remain so if the democratic ideal--government of the people, by the people and for the people--is to have any credence.

The democratic ideal has shaped school boards in obvious ways. Unlike virtually all other boards at every level of government, ninety percent of the school districts in the United States have elected boards with their own taxing and administrative powers.[37] In some instances, the democratic ideal is carried even further with school budgets subject to local referenda, a fact which produced the prospect of school closings for one-fifth of Ohio's school children in October 1977.[38]

Through electing school board members, citizens possess, in theory at least, the ultimate sanction to compel accountability: if a board member fails to be sufficiently responsive to the will of the people, he or she will be voted out of office.[39] While a mayor who appoints board members could be voted out of office if his appointees are unresponsive, this is far less likely because of the variety of issues on which a mayor's performance is judged by the electorate. Likewise, if the voters oppose the school budget, they can theoretically retire from public office the board members who voted for it or the city councilors who approved it. However, in both instances, the exercise of electoral sanctions is largely theoretical because of low voter turnout in elections,[40] although increasing rates of defeat in budget and bond approval referenda suggest a mounting hostility to board actions.

Few people committed to the domocratic form of government--be it representational or participatory--would disagree with the contention that, "Nothing can so sustain a democratic institution as the support of a wise and demanding citizenry, and nothing so well supports and sustains an alert public as wise leadership whose faith is strongly placed with the good judgment of those it serves."[41] Yet, equally few can find in the daily functioning of school systems the kind of symbiotic relationship between the leadership and constituents that such a democratic philosophy envisions. Quite to the contrary, school systems, particularly in large and diverse urban centers, frequently face intense power struggles between and among administrators, board members and citizen groups.

As education has become increasingly controversial and costly, school boards have borne the brunt of the conflict between the schools and the community. But the literature seems to provide little optimism for the effective management and resolution of these conflicts by boards alone. In fact, most of the conceptual and empirical literature about school boards suggest that board members, despite their lay status, see themselves as school officials and most frequently side with the educators when conflict with the community arises. Such a view appears to confirm the hypothesis that school systems typically look within rather than outside for assessments of and solutions to educational problems.

Kerr[42] contends that the major function perceived by board members is the legitimation to the community of the policies of the school system, not the representation of the community to the school system. He found that the absence of visible constituencies and the lack of familiarity by non-incumbents with the board's activities and the educational program produced a predisposition toward acceptance of the superintendent's definition of the situation.

In a subsequent longitudinal study of twenty Ontario school systems, Cistone[43] found that, over time, novice board members assigned decreasing weight to the superintendent's position and became increasingly influenced by their board colleagues. How board members saw their role vis a vis the community was not addressed specifically in this study, but was the subject of an earlier study by Cistone of the recruitment of school board members through the electoral process. Given the "elite" nature of those who run for office and low voter turnout, Cistone concluded that "...it is unlikely that school board member accountability is forced by electoral sanctions...(without which they are) less likely to be attentive to public preferences or responsive to public pressures."[44]

The composition and conduct of school boards raise fundamental questions, not just about school policy, but about the very nature of education in a democratic society. Mann[45] defines participation as "the direct or unmediated involvement by citizens with the intent of affecting what happens in schools"[46] and representation as the aggregation of individual interests which are acted upon by someone else.[47] He contends that boards are generally "not much inclined to translate their representational responsibilities into attempts to control schools,"[48] and concludes that "(a)s long as both (participation and representation) yield the same amount of control, representation is the better and less costly choice."[49]

In a study of the budget development and determination processes in four Massachusetts school systems, David[50] found that neither board members nor citizens exert significant influence or control over budgetary decisions. Irrespective of the size of the community or the availability of formal channels for input, the professional educators made all decisions on key matters, leaving only what she describes as "peripheral" issues such as the lunch program susceptible to lay influence. David attributes this condition to the self-perception of board members as individual public servants, not as parts of the community; like the superintendents they hired, they felt they knew the needs of the community, as witnessed by the very fact of their election.

Combined with this unquestioned confidence in their own awareness and in the expertise of the administration, board members, according to David's observations and interviews, were able to justify the status quo by pointing to the apathy of the citizenry, a condition David attributes to the fact that citizens are not brought up to believe that they are capable of or should be interested in helping to make important decisions about their own community.

David posits three attitudinal variables to explain why the participatory approach does not work: the belief that the system is functioning satisfactorily and, therefore, intervention is unnecessary; the contention that intervention can never be effective; and the notion that citizens are not supposed to intervene on an individual or interest group basis if the integrity of the electoral process is to be maintained.[51]

Representation of citizen interests and goals is a difficult task in any community, especially when the representatives serve without pay and must rely largely on the information and interpretations provided by the professional staff of the school system whom, in theory, they direct but who, in practice, direct them.[52]

The larger the community and the more diverse the population, the more difficult the task of representation. In Philadelphia, for example, a nine-member Board of Education is appointed by the Mayor according to the provisions of an Educational Home Rule Charter which makes no reference whatever to geographical or interest group representation. The Mayor is free to appoint all white male ward leaders from South Philadelphia or all Black female housewives from Mount Airy or any mix of racial, sexual, religious, ethnic, occupational or regional characteristics. Absent the ear-marking of seats by particular interests, it is entirely possible for large segments of the community, such as Hispanics and blue-collar workers, to be (as they now are) without representation on the Board.

In some suburban communities which elect board members, the representation problem, particularly with regard to the pro-public education constituency, is exacerbated by the rising electoral success of people representing the interests of senior citizens on fixed incomes and parents of children who are out of school or attend non-public school--groups whose major interest is holding the line on school spending.[53] And, in both rural, suburban and urban school districts, teachers and other school employees are increasingly seeking school board membership, challenging the principle of lay control.

Irrespective of who is elected or appointed and what interests they represent, the debate continues as to whether a board of education can, in fact, or should constitute the sum of citizen participation in educational affairs. Given the tendency of boards to align with the administration,[54] it appears that participation by other citizens and citizen groups is essential if a school system is to remain responsive to the public between board elections[55] and to achieve the level of support essential to both legitimacy[56] and homeostasis with its environment.[57]

School Budgets

No single issue in the educational arena concerns a community more than the school system's budget.[58] Having evolved from a perfunctory task performed by the board clerk or secretary to the product of a professional process guided by the superintendent, the budget is viewed in some quarters as the single greatest determinant of the quality of public education.[59] Rather than an isolated event or a mere legal burden, the budget is now regarded as a tool for planning and management as well as the vehicle through which the community's aspirations may be attained.[60] Ovsiew and Castetter contend that effective budget development entails the statement of educational objectives, an appraisal of the current status of the educational program, a description of short- and long-range educational plans, the involvement of citizens and staff, initiation and coordination by the superintendent, public understanding and support of the policies and practices embodied in the budget, and careful administration.[61]

As in other areas of school policy, the board's role in budget development is largely ritualistic,[62] despite the fact that the budget is the most hotly debated issue during board campaigns.[63] The superintendent must by law gain consent on the budget from the board but is not compelled to solicit the public's ideas and opinions about the budget until it has already been submitted to the board.[64]

Even where boards seek a more active role in budget development they are often rebuffed by the professional experts. In the words of a former member of the Chicago School Board,

> The budget is very intricate and complex. And I think purposely so. Administrators don't want the Board to understand the budget. Board members don't always recognize that the budget is a very important instrument of policy-making. You get so bogged down in the details of trying to understand it that you don't have the proper perspective to deal with it effectively."[65]

Speculations

Educators, like other professionals, see their role as developing the budget largely according to their own professional judgments with neither boards nor citizens actively involved. Boards view their role as approving the budget and enlisting support for it among the citizens. When citizens oppose a budget, we would assume that the board would unite with the superintendent to support it. We have no basis for speculation as to whether a superintendent would align with the citizenry to counter the perceived or real opposition of a board.

As opposition to school budgets intensifies and approaches crisis proportions, the superintendent and/or board is likely to elicit borader citizen participation in spite of their preference for in-house decision-making. Citizens are likely to want such participation and to be in a more favorable position to influence the budget if their involvement is invited by school officials than if it is imposed on school officials by an external party.

Since boards tend to support the superintendent whom they hire, and asince important interests may be unrepresented on a board, especially if it is appointed, it is necessary for the school system to provide systematic channels for citizen participation if it is to remain answerable to the citizens and responsive to the community's desires.

CHAPTER IV

DATA ANALYSIS, FINDINGS AND CONCLUSIONS

For each question on both the 1977-78 Budget Development and Board interview schedules, responses are tabulated and analyzed individually, major findings are discussed and conclusions are derived. In many instances, respondents cited more than one factor, assessment or perception; therefore, the total number of responses is often greater than the total number of respondents.

The complete 1977 Budget Development Interview Schedule precedes the individual tabulation and analysis of responses to questions which are numbered 1 through 15.

The complete Board Interview Schedule precedes the individual tabulation and analysis of responses to questions which are lettered A through G.

Following the tabulation and discussion of the responses to questions from both interview schedules are the Findings and Conclusions, which synthesize responses to several questions from both interview schedules.

Question No. 1977-78 Budget Development Interview Schedule

1. Do you think the school budget has any effect on the quality of education?

1a. What area(s) of the school system quality does the budget affect most significantly?

Several respondents who did not think that the budget was the most important factor affecting educational quality mentioned what they thought was so.

2. Did the process of developing the 1977-78 budget differ from the process used in previous years?

2a. If so, in what ways did the process differ?

3. What charge did the Superintendent give the BTF in their first meeting?

3a. What, if any, were the specific reasons for that charge?

4. What constraints, if any, did the Superintendent impose on the BTF?

5. What constraints, if any were imposed by other parties on the BTF?

5a. If these constraints were imposed, what were the reasons for them?

6. What was the extent of congruency between the BTF's recommendations and the Superintendent's proposed budget?

7. Were there cuts the BTF recommended which the Superintendent would have liked to incorporate but could not?

7a. If so, what were these cuts?

7b. If so, what were the reasons he could not incorporate them?

8. (Excluding the reasons just cited for not recommending certain cuts he would have liked to), What factors distinguished the BTF recommendations the Superintendent incorporated from those he did not?

9. Were there many cuts the Superintendent recommended but did not want to?

9a. If so, which cuts were these?

10. Were there any BTF recommendations the Superintendent expected?

10a. If so, which recommendations did he expect?

10b. If so, why did he expect them?

11. Did the members of the BTF make any assessment of the program and activity managers who came before them?

11a. If so, were these assessments generally positive or generally negative?

11b. What were the reasons for these assessments?

12a. How useful was the BTF in involving the community in budget development?

12b. How useful was the BTF in increasing the extent of media coverage of the budget?

12c. How useful was the BTF in increasing the accuracy of media coverage of the budget?

12d. How useful was the BTF in increasing broad public understanding of the budget?

12e. How useful was the BTF in increasing public support of the Superintendent's budget proposals?

12f. How useful was the BTF in increasing public support for the Board's actions on the budget?

13a. Do you think the BTF recommendations had any impact on the Mayor's assessment of the School District's financial needs?

13ai. Why?

13b. Do you think the BTF recommendations had any impact on City Council's assessment of the School District's financial needs?

13bi. Why?

13c. Do you think the BTF recommendations had any impact on the General Assembly's assessment of the School District's financial needs?

13ci. Why?

14a. During the 1977 budget crisis, did you think the burden of proof laid on the BTF to prove that certain expenditures were unnecessary or excessive, or on the School District to prove the legitimacy of its stated needs?

14b. On whom do you think members of the BTF saw the burden of proof?

14c. On whom do you think members of the Cabinet saw the burden of proof?

14d. On whom do you think program and activity managers saw the burden of proof?

14e. On whom do you think members of the Board of Education saw the burden of proof?

14f. On whom do you think the Superintendent saw the burden of proof?

15. Why did the Superintendent not reconvene the BTF in its 1977 form for input in budget development in 1978?

QUESTION 1. Do you think the school budget has any effect on the quality of education?

	BTF	Cabinet	Board Member	Supt.	Total
Some effect	4	1	1		6
Very important effect	1	2		1	4

QUESTION 1a. What area(s) of the school system quality does the budget affect most significantly?

	BTF	Cabinet	Board Member	Supt.	Total
Training of personnel	1				1
Morale	2				2
Educational materials	1				1
Facilities	2				2
Supplies	2				2
Innovation	1	2			3
Class size		1			1
Range of programs		1			1
Attainment of priorities				1	1

(Several respondents who did not think that the budget was the most important factor affecting educational quality mentioned what they thought was so.)

	BTF	Cabinet	Board Member	Supt.	Total
Human factor	3	1		1	5

Question 1

While all ten respondents agreed that the budget affects educational quality, only four described the effect as very important and four out of the five members of the BTF saw the effect as being less important. This pattern of responses suggests some change from the mid-1960's when the solution to the problems of educating poor and minority children was perceived largely in financial terms, i.e., "more money is the answer." In fact, the only member of the BTF who felt that the budget's effect was very important was the only member whose involvement in education began within the past two years; the other BTF members, who had far longer involvement in education, all assigned a lesser importance to the budget.

There was little agreement on the areas in which the effect of the budget on quality education was most pronounced, with innovation being the only activity cited by more than two of the respondents. However, five of the ten respondents, including three of the five BTF members, cited "the human factor" as being of greater importance than the budget, and defined this factor in terms of the competence and dedication of staff and the commitment and involvement of parents. While these qualities may well be affected by money, comments suggested that they could not be produced by money alone, i.e., teaching salaries may be high enough to attract good teachers but do not necessarily guarantee good teachers.

QUESTION 2. Did the process of developing the 1977-78 budget differ from the process used in previous years?

	BTF	Cabinet	Board Member	Supt.	Total
Yes	3	3	1	1	8
No					
Don't know	2				2

QUESTION 2a. If so, in what ways did the process differ?

	BTF	Cabinet	Board Member	Supt.	Total
Zero Based Budgeting was tried	2	1	1	1	5
Managers had to entertain possibility of substantial reduction or elimination of their programs	3	2		1	6
Budgets had to be justified	1	1	1	1	4
The community was involved before a budget was presented to the Board	1	1		1	3
A cap on increased expenditures was imposed		1			1
No new or expanded program was allowed		1			1
Budget material included criteria for evaluating programs	1				1
The system had to deal with the reality of limited funds		1			1
Don't know	1				1

Question 2

Members of the BTF from the parent/civic organizations were aware that the preparation of the 1977-78 operating budget differed from previous years and cited in general ways the nature of those differences. The BTF members representing business-oriented organizations had not been involved in school budget issues prior to the BTF.

The most frequently cited difference from budget preparation in previous years was the requirement that managers deal with the prospect of cuts. While it is not possible to ascertain what percentage of managers perceived this requirement as another of the annual expressions of crisis presented since the late 1960's and what percentage took the request as a serious one, it is interesting to note one Cabinet member's comment about the 1977 experience:

> We were working in a reality atmosphere and milieu which we had never faced before...Suddenly the climate changed from..."find out what is needed to provide a good education for the children of Philadelphia and go out and get the funds"...[to] a feeling on the part of some [important] people that "this City can no longer afford to provide the level of support for education that it has in the past"...I don't believe the citizens of Philadelphia should run for cover quite as fast as I saw them doing.

While the Cabinet member quoted clearly sensed that the School District had to accept new realities in 1977, it is doubtful that the City's financial condition was the only, or even the most compelling, explanation for the diminution in public support for additional school funds. As four of the five BTF members' responses to Question 1 indicated, people outside the school system did not see money as having an enormous effect on educational quality. Dramatic increases in School District salaries had not produced equally sizable gains in student achievement between 1967 and 1977.

In addition, during the previous decade, the composition of the Board of Education had shifted from a "blue ribbon" group of "leading citizens" who developed an intimate knowledge of the school system and invested great energy in securing additional funds to a group without extensive political and civic experience appointed by a Mayor who, although a product of the public schools, drew a large segment of his support from the non-public school and non-school communities to which he was accountable. It is not surprising, therefore, that the Board did not seek additional funds from the City in 1974, 1975 or 1976.

These two forces--the failure of more money to produce commensurate improvement in student achievement and the Board's refusal to seek more money--had coalesced by 1977 into a need for significant reductions in expenditures. In such an atmosphere, the Superintendent appeared to have little, if anything, to lose and perhaps something to gain by seeking community input before placing a proposed budget before the Board.

QUESTION 3. What charge did the Superintendent give the BTF in their first meeting?

	BTF	Cabinet	Board Member	Supt.	Total
Review each program	2			1	3
Challenge any line item		1		1	2
Make recommendations on budget	3	2		1	6
Prioritize programs				1	1
Nothing specific	1				1
Don't know (not present)	1	1	1		3

QUESTION 3a. What, if any, were the specific reasons for that change?

Wanted to know thinking of influential community people	1			1	2
Wanted to prepare community for cuts		2			2
Wanted public to understand budget and support requests for additional funds				1	1
Don't know	4	1	1		6

Question 3

All parties present at the BTF's initial meeting with the Superintendent heard the same charge. However, as indicated previously in responses to Questions 3b and 5, one of the reasons for the Superintendent's charge--developing advocates for additional funds--was not known to the BTF members.

Responses to this question reveal a contrast between a parent member of the BTF and a Cabinet member about whether the goal was for the Superintendent to prepare the community or the community to prepare the Superintendent. The parent said, "As Superintendent, he needs to know what kind of support he's going to have and on what issues he's going to be attacked." The Cabinet member said, "Anytime you have to make cuts, someone's going to be disappointed, someone's going to be hurt... He (the Superintendent) wanted the community to be involved so they would know about what might happen."

These contrasting perspectives reveal much of the dynamics of interaction between the community and the school system: community leadership sensing its power to take the Superintendent to task while the school official implies that community leadership is willing to be used to placate parents who might be angered by the Superintendent's actions.

QUESTION 4. What constraints, if any, did the Superintendent impose on the BTF?

	BTF	Cabinet	Board Member	Supt.	Total
None	4	1	1	1	7
Don't remember	1				1
Amount of money available		1			1
Focus on areas where cuts were possible		1			1

Question 4

While the investigator's diary contains no direct discussion of constraints at the first meeting between the BTF and the Superintendent, the Superintendent did mention that approximately $100 million of the School District's $600 million budget was for non-mandated expenditures.

In contrast with the Superintendent, who recalled imposing no constraints on the BTF, one Cabinet member responded tha the Superintendent instructed the BTF to avoid areas such as Municipal Services and Debt Service where no cuts could be made to focus on programs where reductions could be imposed. (Cuts were eventually recommended by the Superintendent and adopted by the Board in the two areas in which the Cabinet member indicated there was no possibility of reductions.)

Another Cabinet member recalled that the Superintendent reminded the BTF of how much money was available so they would no come forth with "pie in the sky" recommendation, a possibility contemplated by no one other than this Cabinet member.

The absence of constraints on the BTF can be viewed as a serious omission with extremely negative consequences for all parties concerned. It is clear from the responses to Questions 7 and 8 that the Superintendent found some of the BTF recommendations unfeasible because of existing contractual obligations and other legal constraints including State School Code mandates. Members of the BTF and the Cabinet also mentioned political forces as making certain cuts unfeasible. But neither the Superintendent nor members of the Cabinet ever mentioned to the BTF that they would be receptive only to recommended cuts that did not violate existing contracts, Board policy, State law or political sensibilities. The Superintendent's omission of these caveats seems to have permitted the BTF to think that any expenditure might be reduced or eliminated; when the BTF's recommendations included many such cuts, which the Superintendent rejected, some of the members were predictably disappointed and angry.

While omitting these constraints appears in retrospect to have been an unwise course of action with predictably negative results, it is possible that this omission was a conscious decision of the Superintendent. Had he instructed the BTF to avoid suggesting cuts in precisely those areas, such as Municipal Services, Board perquisities, transportation, and health, which had been the chief targets of budget criticism in the past, it is entirely possible that some members of the BTF would have refused to participate in the process and sought to discredit it publicly as an example of School District's bad faith. Given the projected deficit of $173 million (one-fourth of the entire budget), a Superintendent who would pledge at the beginning of the budget development process to retain the Board's chauffeurs while being amenable to cuts in reading aides or other direct services to children, would likely be unable to find many parent or civic group leaders willing to invest many hours in analyzing and making recommendations to him on the budget.

QUESTION 5. --What constraints, if any, were imposed by other parties on the BTF?

	BTF	Cab-inet	Board Member	Supt.	Total
Interference by a Cabinet Member	2				2
Organizational policy of groups on BTF	1				1
Misleading information	2				2
Suggested cuts that managers knew where impractical	2				2
None	1	2	1	1	5
Don't know		1			1

QUESTION 5a. --If these constraints were imposed, what were the reasons for them?

Desire to protect certain people and pet programs	4				4

Question 5

Four of the five BTF members were the only respondents who indicated the imposition of constraints on the BTF by persons other than the Superintendent. Most of the constraints perceived involved the behavior of school employees seeking to protect themselves and/or the programs and employees under their supervision. One BTF member described the "decision packages," the sheafs of data on each program prepared by the respective managers, as "clearly fraudulent." She perceived that the fifteen percent reductions requested by the Superintendent were made precisely in those areas which the managers knew would be unsatisfactory to the BTF with the evident hope that the BTF would spare the programs from cuts. Another BTF member, who described the cuts suggested by the managers as "impracticable," said that, "Some of the department heads (managers) looked at us as though we were a sham."

Two BTF members mentioned the behavior of a specific Cabinet official as an impediment to the process because he evaded answering questions posed to him and interfered with his subordinates' responses as well.

While these obstacles to the BTF's operation were a source of continuing and obvious frustration to four out of five BTF members, none of the Cabinet members nor the Board member cited them in their interview.

QUESTION 6. --What was the extent of congruency between the BTF's recommendations and the Superintendent's proposed budget?

	BTF	Cabinet	Board Member	Supt.	Total
Very little	4	1	1		6
Some		1			1
Half or more		1		1	2
Can't remember	1				1

Question 6

Because the BTF made numerous recommendations, because the interviews were conducted approximately nine months after the BTF concluded its work, and because no one had made a detailed analysis of the extent of congruence between the BTF's recommendations and the Superintendent's proposals at each of the three times (March, May and August) he placed proposals before the Board, the responses to Question 6 are necessarily impressionistic.

Of those with some recollection, all members of the BTF, the Board member and one Cabinet official saw the BTF's recommendations as having very little congruence with the Superintendent, who, himself, in contrast, saw a good deal more congruence.

Perhaps this contrast is related to the emotional and symbolic importance of some of the BTF recommendations that the Superintendent did not accept, such as Municipal Services and School Board perquisites, to which the BTF members attached greater importance than many of their other proposed cuts, but which had relatively small dollar consequences.

QUESTION 7. --Were there cuts the BTF recommended which the Superintendent would have liked to incorporate but could not?

	BTF	Cabinet	Board Member	Supt.	Total
Yes	3	2	1	1	7
No					
Not sure	2	1			3
QUESTION 7a. --If so, what were these cuts?					
School Board chauffeurs	2				2
Food services	1				1
Municipal services	3	1	1		5
Transportation	2				2
Latin program	1				1
Combining facilities and maintenance	1				1
Did not respond		1		1	2
QUESTION 7b. --If so, what were the reasons he could not incorporate them?					
Political forces	4	2	1		7
Contractual obligations		2		1	3
Legal constraints				1	1
Philosophical reasons				1	1

Question 7

Most of the respondents (seven out of ten) felt that the Superintendetn could not propose some cuts which he would have liked to have made. Speculation about what these were centered on Municipal Services (five respondents), with Board chauffeurs and transportation next in frequency (two respondents). The overwhelming reasons cited by everyone except the Superintendent for not being able to propose these cuts was "political forces." Two Cabinet officials and the Superintendent cited contractual obligations as the constraining factor.

QUESTION 8. --[Excluding the reasons just cited for not recommending certain cuts he would have like to],* What factors distinguished the BTF recommendations the Superintendent incorporated from those he did not?

	BTF	Cabinet	Board Member	Supt.	Total
Political factors	1	1			2
Feasibility				1	1
Contracts	1				1
Mandates			1		1
Community pressure		1			1
Desire to avoid conflict between union and parents	1				1
Desire to receive least flak from important people	1				1
Avoidance of negative effect on instructional service and other benefits to children		1		1	2
Personal preference	1				1
None		1			1
Don't know	2				2

*Clause added if respondent answered Question 20 in the affirmative.

Question 8

There was considerable divergence both within and between the four categories of respondents to the question of the criteria the Superintendent used in determining whether to recommend to the Board the cuts proposed by the BTF.

Here, as in the discussion of Question 4 regarding constraints placed by the Superintendent on the BTF, it appears that the Superintendent's judgment of feasibility differed from that of the BTF. He sought to avoid cuts that would violate existing contracts, ignore State mandates, have too drastic an effect on the system, or create unwanted political tension. However, no BTF members cited all these reasons and the most frequent BTF response was that he tried to avoid conflict with "important" (union or political) forces. Only one respondent agreed with the Superintendent that a concern about educational quality guided these decisions.

QUESTION 9. --Were there many cuts the Superintendent recommended but did not want to?

	BTF	Cab- inet	Board Member	Supt.	Total
Yes	2	2	1	1	6
No					0
Can't remember	1	1			2
Don't know	2				2

QUESTION 9a. --If so, which cuts were these?

	BTF	Cab- inet	Board Member	Supt.	Total
Most of $173 million reductions	1				1
Kindergarten	1	1			2
Non-teaching Assistants		1	1		2
Maintenance and Operations		1	1		2
Many non-mandated programs		1			1
Can't remember				1	1

Question 9

While six respondents, including the Superintendent, recalled that the Superintendent recommended some cuts reluctantly, only four respondents (not including the Superintendent) recalled specific cuts in this category. This finding is surprising in view of the Superintendent's characterization of the $511 million budget based on $173 million in cuts as a "travesty" which would "decimate" the system in his presentation to the Board on May 31, 1977, his enumeration of the specifics of that contention, and the use of kindergarten as a rallying point for efforts to produce additional revenue. Perhaps this finding can be explained by the ultimate restoration of all but $49 million which was cut, most of which may have been perceived by the respondents as services and programs the system could easilty do without.

QUESTION 10. --Were there any BTF recommendations the Superintendent expected?

	BTF	Cabinet	Board Member	Supt.	Total
Yes	4	3	1	1	9
No					0
Maybe	1				1

QUESTION 10a. --If so, which recommendations did he expect?

	BTF	Cabinet	Board Member	Supt.	Total
Administrators, Supervisors	2				2
Chauffeurs	2				2
Aides	1				1
Employee benefits				1	1
Driver education	2				2
Safety education	1				1
Museum education		1			1
Recreation				1	1
Transportation	3	1		1	5
Health	2			1	3
Municipal services	1	1		1	3
Non-educational areas	1	1			2
Most of recommendations	1	1	1		3

QUESTION 10b.--If so, why did he expect them?

	BTF	Cab-inet	Board Member	Supt.	Total
Because organizations represented on BTF had made them many times before	4	2	1	1	8
Because BTF members were astute and thought first about children		1			1

Question 10

With the exception of one BTF member, who had had little if any prior involvement with the budget, all respondents felt that the Superintendent expected some of the recommendations he received from the BTF and all, except one Cabinet official, attributed this view to the fact that the organizations on the BTF had made their recommendations many times in the past.

The only specific cut that most (five) respondents cited as expected was transportation, with Municipal Services being next in terms of frequency (three).

Notwithstanding the perceived predictability of the BTF's recommendations, it must be noted that none of the organizations had suggested such extensive cuts, including educational services, in the past.

QUESTION 11.--Did the members of the BTF make any assessments of the program and activity managers who came before them?

	BTF	Cabinet	Board Member	Supt.	Total
Yes	5	3	1	1	10
No					0

QUESTION 11a.--If so, were these assessments generally positive or generally negative?

	BTF	Cabinet	Board Member	Supt.	Total
Generally positive	1	1		1	3
Generally negative	4	1	1*		6
Mixed		1			1

*Noted that his own reaction was generally positive but that BTF members did not share his view.

QUESTION 11b.--What were the reasons for these assessments?

	BTF	Cabinet	Board Member	Supt.	Total
Positive					
Good rapport		1	1**		2
Mutual respect		1	1**		2
Dedication, cooperation	1				1
Negative					
Educators showed disdain for lay-people	1				1
Phony cordiality of managers	1				1
Poor preparation for meeting with BTF	1	1			2
Not qualified as managers	1				1
Couldn't justify their activities	1				1

**Board Member's personal opinion. He did not note why the BTF members had negative views.

Question 11

The only BTF member who reported a generally positive view of the program and activity managers had had limited contact with the School and its budgets and did acknowledge seeing "some people who shouldn't be in the jobs they're in because of their lack of competence or commitment." The one Cabinet official who thought the BTF's assessments of the managers were positive was previously referred to in the discussion of Questions 3 and 9 as having a more optimistic view of things. The Superintendent reported that his response was based on discussions with BTF and Cabinet members.

The reasons given for negative assessments of the managers included both perceived attitudes and perceived competence. One BTF member note a "why do I have to go through this with you?" attitude often associated with low esteen for lay-people, and, on the other hand, an overwhelming cordiality, taking the form of unusually warm greetings, was projected by school personnel who had never before indicated any willingness to sit down with parent groups. Two BTF members cited incompetence in presenting information and responding to questions. The most generous of the negative views was that the managers were not prepared because they had not received proper instructions about what to expect.

One Cabinet official said he was "ashamed (by the managers' presentations) for the most part." The assessments by the BTF of the managers was based upon their understanding that the program and activity managers have direct and immediate line management responsibility for virtually every function except regular classroom instruction and that, therefore, their competence and effectiveness were crucial to the success of the School District. The BTF appeared to believe that insofar as these managers were perceived favorably, confidence in the system existed; insofar as they appeared inept, those in a position to judge may have tended to believe that even important services should be cut because such inept and inadequate management would impair, if not prevent, the full and effective delivery of such services.

It is just such a temptation to recommend a program be cut because of lack of confidence in the person(s) responsibile for managing it that confronted the BTF members in developing their recommendations to the Superintendent and which was typified in statements such as,

> Sure, attendance is an important function, but if the person in charge can't even tell us how (s)he determines if an Attendance Officer or Home and School Visitor is doing a good job, why should we be spending several million on it? The kids aren't getting the service anyway so cutting the budget probably won't hurt.

While the Cabinet members tended to justify any given expenditure on the basis of the existence of a problem (i.e., poor attendance, low test scores, et al), the BTF members wanted some indication that the expenditure was effectively dealing with the problem. And with few exceptions, such as Mathematics, the program and activity managers were unable to document such indications.

One obvious example of this deficiency was the Radio and TV program budget, which proposed an expenditure in excess of $100,000 for Instructional Television. The manager had no evidence of how many teachers were using the broadcasts of found them useful. Likewise, the Pupil Personnel and Counseling (Acting) Director, when asked how she measured the effectiveness of the District Counseling Supervisors, responded with, "by how many Counselors they visit each week or month." A District Superintendent, asked to justify several prekindergarten programs in his district, said, "The teachers say they're excellent programs."

Using scale of 0 for none to 10 for a great deal:
QUESTION 12a. --How useful was the BTF in involving the community in budget development?

	BTF	Cabinet	Board Member	Supt.	Total
1					
2					
3					
4					
5	2			1	3
6	1				1
7		1			1
8	1	2	1		4
9					
10	1				1
Mean Score 7.0					

QUESTION 12b. --How useful was the BTF in increasing the extent of media coverage of the budget?

	BTF	Cab-inet	Board Member	Supt.	Total
0					
1					
2	1			1	2
3	1				
4	1				
5	1	2			3
6					
7			1		1
8					
9					
10	1	1			2
Mean Score 5.3					

QUESTION 12c. --How useful was the BTF in increasing the accuracy of media coverage of the budget?

	BTF	Cab-inet	Board Member	Supt.	Total
0		1			1
1					
2				1	1
3	1	1			2
4	2				2
5	1				1
6					
7		1			1
8			1		1
9					
10					
Mean Score 4.6					

QUESTION 12d.--How useful was the BTF in increasing broad public understanding of the budget?

	BTF	Cab-inet	Board Member	Supt.	Total
0					
1					
2					
3	2				2
4					
5					
6	1	1		1	3
7	1				1
8		2			2
9	1		1		2
10					
Mean Score 6.5					

QUESTION 12e. --How useful was the BTF in increasing public support of the Superintendent's budget proposals?

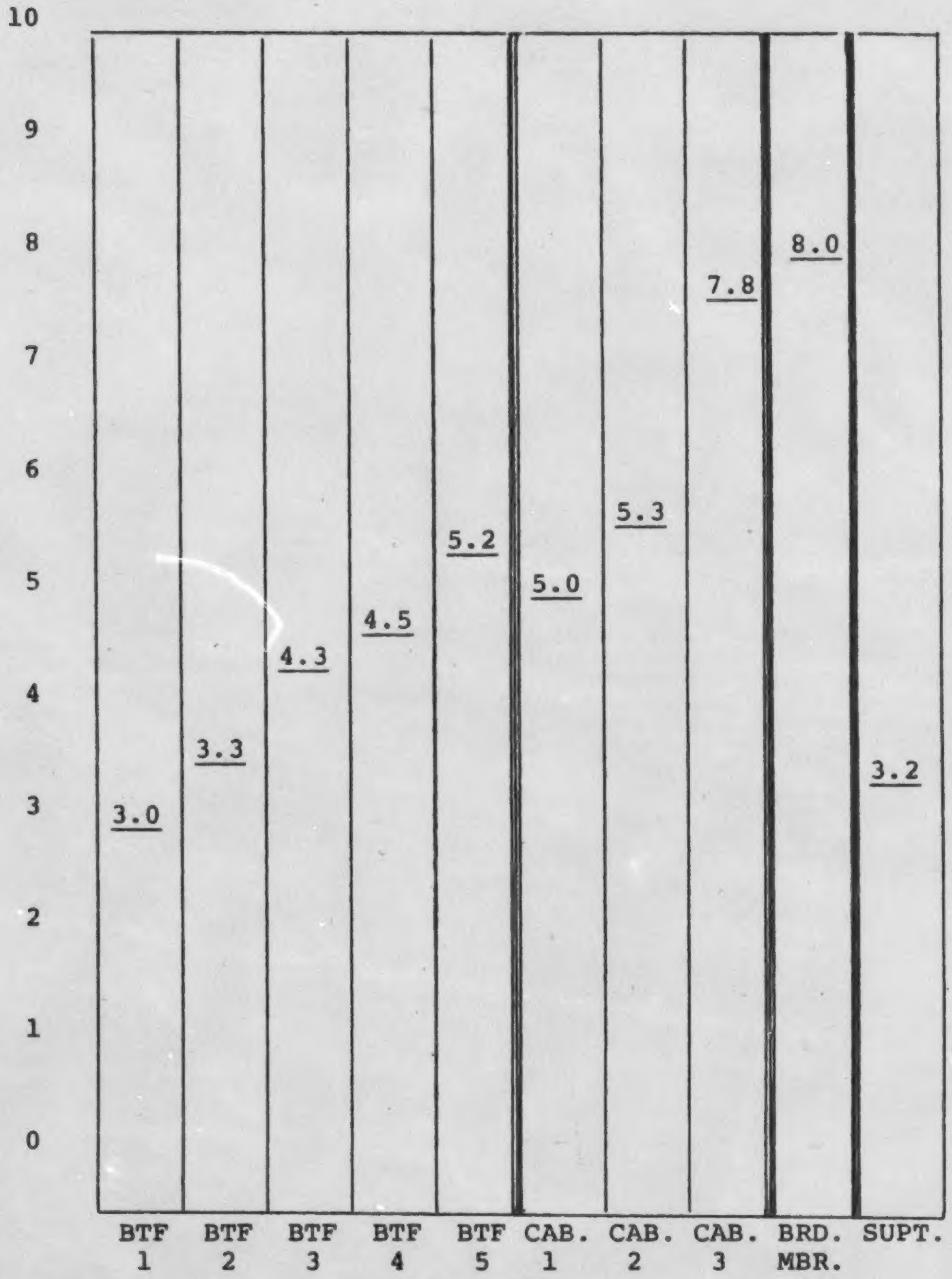
	BTF	Cabinet	Board Member	Supt.	Total
0	3				3
1	1				1
2				1	1
3					
4	1				1
5		2			2
6					
7					
8		1			1
9			1		1
10					

Mean Score 3.4

QUESTION 12f. --How useful was the BTF in increasing public support for the Board's actions on the budget?

	BTF	Cab-inet	Board Member	Supt.	Total
0	3				3
1	1				1
2				1	1
3					
4	1	2			3
5					
6					
7					
8		1	1		2
9					
10					
Mean Score 3.1					

QUESTION 12. --RESPONDENTS' COMPOSITE AVERAGE RATINGS OF USEFULNESS OF BTF



Question 12

In Question 12, respondents were asked to "grade" the BTF on six factors which were presumed to constitute its primary purposes from the Superintendent's perspective and/or from the community's. (Because the investigator did not know the Superintendent's purpose of using the BTF to develop support for additional funds at the time the interview schedule was prepared, this criterion is not included.) The grading from "most" (ten) to "least" (zero) useful is as follows:

1. Involving the community in budget development - 7.0
2. Increasing broad public understanding of the budget - 6.5
3. Increasing the extent of media coverage of the budget - 5.3
4. Increasing the accuracy of media coverage of the budget - 4.6
5. Increasing public support for the Superintendent's budget proposals - 3.4
6. Increasing public support for the Board's actions on the budget - 3.1

The results indicate greater success from the perspective of community involvement and awareness than from community support of school officials' actions, although school administrators gave lower marks for the former and higher grades for the latter than BTF members. The Board member and the Cabinet member with the optimistic outlook saw the BTF experience as more useful overall than any of the other respondents. The lowest overall grades were given by a BTF member from a parent/civic group and the Superintendent.

On a scale of zero to ten with zero being least useful and ten being most useful, the overage grade given by BTF members (4.1) was lower than the average grade given by Cabinet members (6.0), and the average grade given by the Board member (8.0) but higher than the average given by the Superintendent (3.2).

The distribution would suggest that a superintendent give very careful thought before inaugurating such an effort, weighing whether the gains in participation and public understanding are worthwhile in view of the poor results in terms of public support. The pattern of responses appears to contradict the view that involvement or access to information per se will automatically produce support; it may be becoming increasingly difficult to gain support merely by providing access to information and participation in a process, a phenomenon which school administrators might not have been prepared to admit. Particularly in view of many of the program and activity managers' inexperience in dealing with civic groups, there was considerable risk involved in giving them a pivotal role in the process.

QUESTION 13a.--Do you think the BTF recommendations had any impact on the Mayor's assessment of the School District's financial needs?

	BTF	Cab-inet	Board Member	Supt.	Total
Somewhat of an impact	1	1			2
A little impact	1	1			2
No impact	3	1	1	1	6
QUESTION 13a1. --Why?					
No					
The Mayor is not influenced by the public in general or in particular by the kind of people on the BTF	2				2
The Mayor doesn't listen		1			1
The Mayor cares only about money			1		1
The Mayor did not study the recommendations				1	1
Yes					
He was made aware of some things	1				1
QUESTION 13b. Do you think the BTF recommendations had any impact on City Council's assessment of the School District's financial needs?					
Somewhat of an impact	1	1			2
A little impact	1	1			2
No impact	3	1	1	1	6

QUESTION 13bi.--Why?

	BTF	Cab-inet	Board Member	Supt.	Total
No					
They don't digest the budget	1				1
They're not influenced by the public	1	1			2
They didn't know about the BTF	1				1
They care only about money			1		1
They didn't study the recommendations				1	1
Yes					
Saw some credibility in BTF	1	1			2

QUESTION 13c. Do you think the BTF recommendations had any impact on the General Assembly's assessment of the School District's financial needs?

	BTF	Cab-inet	Board Member	Supt.	Total
Yes, quite a bit of impact	2				2
Some impact	2	1			3
Very little impact		1			1
No impact		1		1	2
Not certain of whether	1		1		2

QUESTION 13ci.--Why?

	BTF	Cabinet	Board Member	Supt.	Total
Yes					
They plan to use some of the BTF recommendations in their investigation	1				1
They saw the BTF as more honest than the officials of the system	1				1
They got more information than ever	3				3
They saw need for more money					
They saw need for better management					
No					
They don't listen		1			1
They care only about money			1		1
They didn't study the BTF recommendations				1	1

Question 13

While the investigator did not perceive that one of the Superintendent's reasons for convening the BTF was to generate advocacy for the School District's request for additional funds, it is probable that many people suspected from the outset that some of the projected deficit of $173 million would be made up with more money from the State and City. It seemed unlikely that a twenty-five percent budget cut would have to be sustained in a single year, if only because of the difficulty of imagining that 10,000 of 27,000 employees would be laid off and the system still be capable of functioning, meeting contractual obligations and complying with State mandates.

A majority of the respondents, including three BTF members, one Cabinet official, the Board member and the Superintendent, felt that the BTF's recommendations had no impact on the Mayor or City Council, primarily because these individuals were ignorant of or indifferent to the BTF's work. As the Board member noted, "You can have a program that turns a jackass into an Einstein, but as far as the politicians are concerned, it's just money."

There was an impression shared by BTF members and one Cabinet official that the General Assembly was more responsive to the BTF's recommendations, probably because several Philadelphia Representatives on the House Education Committee did consult with individual BTF members during the spring and summer of 1977.

One possible contradiction in the reaction of political figures is the fact that the BTF advocated more cuts than the Superintendent proposed or the Board adopted and yet the very politicians who have consistently accused the School District of "extravagance" ignored the BTF's proposals for cuts. One may speculate that such a contradiction can be explained by the solidarity of public officials, whether elected or appointed, in the face of pressure from the citizens. Since $50 million of new revenue was produced by a bank loan, one may speculate that leaders were able to avoid the twin liabilities of higher taxes for Philadelphia's schools on the one hand, or insisting that popular programs be cut on the other hand.

QUESTION 14a. During the 1977 budget crisis, did you think the burden of proof laid on the BTF to prove that certain expenditures were unnecessary or excessive, or on the School District to prove the legitimacy of its stated needs?

	BTF	Cab-inet	Board Member	Supt.	Total
On the School District	5	3		1	9
On the BTF			1		1
QUESTION 14b.--On whom do you think members of the BTF saw the burden of proof?					
On the School District	5	3		1	9
On the BTF					0
Mixed - 3 on Task Force - 2 on School District			1		1
QUESTION 14c.--On whom do you think members of the Cabinet saw the burden of proof?					
On the School District	1	1		1	3
On the BTF	4	2			6
Don't know			1		1
QUESTION 14d.--On whom do you think program and activity managers saw the burden of proof?					
On the School District	1	1	1	1	4
On the BTF	3	1			4
On both	1	1			2

QUESTION 14e.--On whom do you think members of the Board of Education saw the burden of proof?

	BTF	Cab-inet	Board Member	Supt.	Total
On the School District		1	1*	1	3
On the BTF	3	2			5
They didn't care	1				1
Don't know	1				1
QUESTION 14f.--On whom do you think the Superintendent saw the burden of proof?					
On the School District	1	2	1*	1	5
On the BTF	3	1			4
Don't know	1				1

*Means School Administration, not Board of Education.

Question 14

Questions 14(a-f) about the burden of proof were prompted by the Superintendent's adoption of a form of Zero-Based Budgeting (ZBB) in the development of the budget which included, as his Memorandum to Program Managers (Appendix C) noted, a requirement that "... every project and program be reassessed and re-evaluated...". During the operation of the BTF as well as in interviews conducted for this study, both the Superintendent and Cabinet members referred to the line-by-line review of the budget as a process of "justifying expenditures." In view of the use of these terms, one may conclude that the School District's staff perceived that it was their responsibility to prove to the BTF that proposed expenditures were legitimate.

Except for the Board member, who saw the burden of proof on the BTF, all respondents felt that the burden of proof was on the School District and perceived that the BTF concurred in this judgement.

The Superintendent perceived that all the "insiders" (himself, Cabinet, managers, Board) saw the burden of proof on the School District. In contrast, four of the five BTF members perceived that the Cabinet placed the burden of proof on the BTF, and three of the five BTF members saw the activity managers, the Board and the Superintendent as doing likewise.

It is interesting that, with the exception of the Board member, respondents frequently inaccurately assessed the perceptions of others.

The responses to Question 14d coincide with the performance rating given to program and activity managers who presented themselves to the BTF. The BTF respondents who saw the managers as inept (with one exception) thought that the managers saw the burden of proof on the BTF. Those who rated the managers facorably thought the managers saw the burden of proof on the School District. One BTF member who found the managers inept thought that they perceived the burden of proof on both parties.

The Board member perceived that the managers, the Superintendent and the Board all saw the burden of proof on the School District. In responding to the question (14e) about the Board, he said that the Board saw the burden "on anybody but the Board. We have a sort of Mount Olympus attitude."

The Superintendent was the only respondent who perceived that all other parties shared his view of the burden of proof. In contrast, the BTF perceived the greatest divergence between itself (burden on School District) and the other parties (burden on BTF).

This pattern of responses suggests that the terms "burden of proof" and "justification" may have meant different things to different people, with the BTF members holding the School District to a higher standard of accountability than the School District was perceived by them to have attained.

QUESTION 15.--Why did the Superintendent not reconvene the BTF in its 1977 form for input in budget development in 1978?

	BTF	Cabinet	Board Member	Supt.	Total
He realized he bit off more than he could chew in 1977	1				1
BTF didn't side with him	3		1		4
BTF was too time-consuming		1		1	2
He has to deal with Loan Review Committee	1				1
Budget is set		1			1
Wants input from more organizations		2		1	3
The line-by-line approach is too narrow				1	1
BTF didn't produce any positive results				1	1
BTF produced some negative results				1	1

Question 15

By the time the interviews were conducted (between January and February 1978), it was common knowledge among respondents that the Superintendent was not planning to reconvene the BTF. The Superintendent's reasons for this decision differed somewhat from others' perceptions of his reasons; four of the BTF members and the Board member attributed his decision to the fact that the BTF did not support him (one of the reasons he himself offered), while all the Cabinet members cited less personal reasons such as time constraints, his desire for input from more groups, and the fact the budget was set as a result of the loan. (This last statement is correct to the extent of a cap on total expenditures but the loan did not determine how funds were to be allocated.)

One BTF member said that the Superintendent did not want to reconvene the BTF because "it found out more about the way his School District runs than he really would like to have known."

The Board member said, "I would like to see the Task Force reconvened but if the Superintendent does (reconvene it), he ought to have his head examined. I don't think from where he sat it was a very delicious experience."

The Superintendent said that the BTF

> didn't produce any positive results. I feel that the BTF last year eventually developed into a budget-cutting group rather than the advocate group I had hoped they would develop into...Ultimately much more emphasis was placed on budget cuts that I think would have really hurt the system. And that opinion was shared by members of the Cabinet when the process was through.

One indication cited by the Superintendent of the BTF's imprudence was the fact that they did not recommend expansion in any area. This criticism is noteworthy given the Superintendent's instructions to the managers for cuts of fifteen percent and his initial meeting with the BTF when he spoke only of budget cuts.

Board Interview Schedule

Question

A. Would you describe in a general way your recollections of reactions to the BTF? (Does not include Board Member who sat with BTF.)

B. What do you perceive as the Board's role in developing the budget?

Ci. Does the Board generally "rubber stamp" what the Superintendent recommends on the budget?

Cii. Does the Board generally "rubber stamp" what the Superintendent recommends on other policy matters?

D. If you could alter the current arrangements, how would you change the relationships between and among the Superintendent/staff, the Board and the public-at-large?

Ei. Do you think that individual members of the Board have a responsibility to represent particular constituencies?

Eii. Should individual Board members represent particular constituencies?

Eiii. Do you represent a constituency?

Eiv. Do you think other members of the Board represent particular constituencies?

Ev. How do other Board members represent their constituencies?

F. Are there important interest groups in Philadelphia that are not now represented on the Board?

Fi. If yes, which interest groups are not now represented?

Fii. Should these groups be represented on the Board.

G. What are the proper roles of the Board and the Superintendent/staff in developing the budget?

Gi. Was the procedure you suggested followed in the formulation of the 1977-78 budget?

QUESTION A.--Would you describe in a general way your recollections of reactions to the BTF? (Does not include Board Member who sat with BTF.)

Positive	
Excellent idea	4
Hardworking	2
Sincere	1
Many good recommendations	3
Good intentions	1
Considered effect of cuts on children	1
Negative	
Recommendations reflected their "pet" projects	2
Recommendations not realistic	1
Not impressed with recommendations	1
Not representative of community	1
Not needed	1
Very narrow perspective except for business people	1
Not much feedback from BTF to Board	1
Neutral	
Had more information than Board - Board should have done what they did	2

Question A

Positive comments about the BTF outnumbered negative ones with four of the eight Board members describing the BTF as an "excellent idea." Most of the negative comments came from two Board members; several of their colleagues had both positive and negative recollections about it.

Two Board members remarked that the BTF had more information than the Board and did what the Board should have done.

> You had more information that we had and we're supposed to be making the decisions...We still have to depend on the administrators, who are supposed to be experts. We don't have enough of a relationship with the staff. It's almost as if we're cut off from them too...It seems like the staff is loyal to the Superintendent.

One possible explanation for the lack of feedback from the BTF to the Board was the absence from the country of the Board member who served as liaison to the BTF. Although he attended most of the BTF review sessions with managers, he was away for an extended period between the Board's receipt of the proposed budget on March 25, 1977 and their adoption of a budget on May 31, 1977. While BTF members supplied all Board members with their recommendations on the budget and requested the opportunity to discuss their recommendations with each Board member, no Board member replied to the request. Had the Board liaison been available at this period, it is possible that he would have urged his colleagues to take advantage of this opportunity for dialogue.

The lack of consensus within the Board as to whether the Board should perform a line-by-line review of the budget is suggestive of some of the confusion relating to the Board's role as cited in the literature. Do lay people have the expertise for such a task? Do people who serve on the Board without pay and have pressing career and family responsibilities have the time for such a task? Does such a task require independent staff under the Board's direct authority with no vested interest in retaining the existing patterns of resource allocation? Does a Superintendent tend to give Board members only that information which he want them to have so they will concur with his judgments? Should a Board empanel its own group of citizen advisors? Several of these questions are addressed in responses to subsequent items on the Board interviews.

QUESTION B.--What do you perceive as the Board's role in developing the budget?

Give instructions to staff for preparing budget	3
Set out educational goals and have educators determine what is needed to attain them	1
Evaluate judgments of staff and citizens on line-by-line basis	7
(Need much more time than the current schedule now provides)	4

QUESTION B

Most Board members perceived the Board's role in budget development as a reactive one, i.e. evaluating the judgments of the staff and citizens on a line-by-line basis. Several of those who expressed this view also felt that the Board should give the staff instructions for preparing the budget, but none of the respondents offered specific examples of such instructions.

Four respondents cited time constraints which make the current Board role impossible to perform satisfactorily. Time problems mentioned were both the shortage of time between receiving the Superintendent's proposed budget and having to adopt a budget by May 31 according to a Charter requirement, and the exacerbation of this time problem by the absence of Board staff.

Consistent with David's finding about the areas of Board influence, one Board member said,

> Now, staff makes most of the recommendations and we usually go along with them on major issues. The Board has greater influence on smaller issues. That's probably the way it has to be because of the time involved. Unless the Board is full-time or has its own administrative staff, they can't devote the time to analyze the budget line-by-line.

One Board member, who proposed that the Board establish criteria for developing the budget, explained that such a role was opposed by the Board President and the rest of the Board was divided about it.

QUESTION Ci.--Does the Board generally "rubber stamp" what the Superintendent recommends on the budget?

Yes	5
No	3

QUESTION Cii.--Does the Board generally "rubber stamp" what the Superintendent recommends on other policy matters?

Yes	3
No	5

QUESTION C

Of the five respondents who stated that the Board generally "rubber-stamps" what the Superintendent recommends on the budget, two offered specific reasons for this behavior: the complexity of the budget and the limited time available for review and discussion.

The three respondents who did not perceive the Board as a "rubber-stamp" on the budget described the interaction as laden with conflict:

> The Superintendent has to fight for every damned thing he needs.
>
> There are a lot of individuals on this Board.
>
> Every suggestion for a cut is met by objections or counter suggestions for another cut. I have yet to know one area where all nine Board members agreed... There would not be unanimity even if you said, "Mothers are nice."

The last comment, offered by a Board member who has served since the Dilworth period, was followed by an historical comparison:

> We used to have the old Quaker way of consensus. We don't have that now.

While the Quaker tradition has been strong in Philadelphia, it may not explain totally what this respondent recalled as greater congruency on the budget between the Board and the Superintendent in the period of 1965-1971 when Mr. Dilworth was Board President. Unlike the present Board, the "Dilworth Board" was appointed at one time because of the Charter change. Mr. Dilworth was the chief decision-maker in determining who his Board colleagues would be and in deciding to hire Mark Shedd as Superintendent. In addition, unlike his current successor, Mr. Dilworth was a forceful leader. He did not worry about whether he had the expertise to make certain judgments because he placed great trust in his hand-picked Superintendent. And because he did not have another job, his time cimmitment to School District issues was virtually unlimited.

Given the fact that the Board as of the time of the interviews consisted of eight people, six of whom including the President, held full-time jobs and at least five of whom were not enthusiastic about the Superintendent's leadership, it is not surprising that a contrast was noted with the "Dilworth Board." The time constraints imposed by full-time employment and the comparatively weaker leadership of the current President may explain the majority perception of "rubber-stamp" behavior. The lack of unity among Board members in terms of educational philosophy and support for the Superintendent may explain the perception of active disagreement between the Board and Superintendent on the budget.

As for policy matters other than the budget, the responses were reversed, with three Board members contending the Board was not a "rubber-stamp" and give contending it was.

QUESTION D.--If you could alter the current arrangements, how would you change the relationships between and among the Superintendent/staff, the Board and the public-at-large?

Board		
1.	Should stay out of administration	2
2.	Should be stronger	2
3.	Should initiate policy suggestions	1
4.	Should have own staff	2
5.	Should be more familiar with operations of school system	1
6.	Should have a written manual of policy	1
7.	Should have greater solidarity	2
8.	Should be more involved in budget and negotiations	1
9.	Should be less involved in personal interests and more in overall issues	1
Staff		
10.	Should stay out of policy making	1
11.	Cabinet and Board should interact more	2
12.	Should give full information to Board	1
13.	System should be run by Superintendent and Business Manager who are co-equal	1
14.	Superintendent should work with public before making recommendations to Board	1
15.	Should be forced to carry out Board policy	2
16.	Superintendent should interact with more civic groups	1

Public		
17.	Should be heard by Board before it sets policy	2
18.	Should have dialogue with Board at Board meetings	3
19.	Budget meetings in each district	1
20.	Televised Board meetings	2
21.	District Board meetings	2
22.	Town Meetings on educational issues	1
23.	Should know how budget cuts affect individual schools	1
Philosophical issues		
24.	Schools should not try to do everything for the child	
25.	We should place a priority on education, not race	1

QUESTION D

Responses to the question about how the relationships between and among the Superintendent/staff, the Board and the public-at-large could be improved were grouped for tabulation into four categories. Only one response, the need for dialogue at Board meetings, was mentioned by more than two of the eight respondents. The divergence of responses within the Board suggests a lack of unity within the Board, which may explain why the Board, as a group, has failed to effectuate or cause to be effectuated any of the changes that were cited notwithstanding its authority to do so. With the possible exception of the two philosophical changes (not trying to do everything for the child and placing a priority on education, not race), which would require changes in policy by other levels of government and changes in broad societal attitudes, all of the other twenty-three recommendations are within the Board's authority ti implement. Some are organizational "truisms:"

Should stay out of administration

Should initiate policy suggestions

Should be more familiar with operations of school system

Should have a written manual of policy

Should be less involved in personal interests and more in overall issues

Should stay out of policy making

Should give full information to Board

Should be forced to carry out Board policy

Should be heard by Board before it set policy

Should have dialogue with Board a Board meetings

Some have been tried and discarded in the recent history of the Philadelphia School District:

System should be run by Superintendent and Business Manager who are co-equal

Televised Board meetings

District Board meetings

Town meetings on educational issues

One has already been proposed and rejected by the current Board:

QUESTION Ei.--Do you think that individual members of the Board have a responsibility to represent particular constituencies?

Yes	1
No	7

QUESTION Eii.--Should individual Board members represent particular constituencies?

Yes	1
No	7

QUESTION Eiii.--Do you represent a constituency?

Yes	0
No	6
Only insofar as I have more contact with people and schools in my neighborhood	2

QUESTION Eiv.--Do you think other members of the Board represent particular constituencies?

Yes	7
No	0
I do not want to judge my colleagues	1

QUESTION Ev.--How do other Board members represent their constituencies?

Lines	
Racial/ethnic	6
Political	2
Geographical	3
Sex	1
Activities	
Personnel appointments, promotions	5
Occasionally student assignment	1
Facilities	1

QUESTION E

Of all the questions posed to Board members, none produced as much consensus as those relating to the representation of particular constituencies. With the exception of one recent appointee who has taken a very low-profile role in Board meetings and who is rarely quoted in the media, all respondents said that individual members do not and should not have the responsibility to represent particular constituencies. Six members, including the dissenter on Questions Ei and Eii, said that they do not represent a particular constituency; the remaining two members said they do so only to the extent that they are more familiar with school matters in the sections of the City where they live and thus are called upon by neighbors and neighborhood groups to assist in solving local school problems.

Seven respondents thought that their colleagues on the Board represented particular constituencies. All seven deplored this situation with comments such as:

> I think it's short-sighted because you can't get a Board that represents in microcosm the exact percentage of taxpayers and citizens...the economic, social and ethnic composition of the City.
>
> It's regrettable that some members do.
>
> It's bad because you begin to vie for money and jobs and programs and you forget that we're all in this together and we should all want the entire system to be good...I think as long as we have that, long as the need is felt to to have that, there's something wrong with the system and we're not just working on merit.
>
> I don't (represent a particular constituency) and I have been condemned because I don't...I would hate to think... that I was on this Board solely to represent Black kids.
>
> Someone is left out because all parts of the City aren't represented on the Board.

The most frequently cited form of constituency representation was racial/ethnic activity by Board members, and the most frequently cited representational activity was influence in personnel matters (appointments and promotions). Whether cause or effect, the existence of racial/ethnic organizations of school employees reflect this perception. As of this writing, five racial/ethnic organizations exist (in addition to the twelve legally recognized collective bargaining agents for various classifications of employees): The Columbus Forum (Italian), the B'nai B'rith Educators Lodge (Jewish), the Black Educational Forum and the Educators Roundtable (Black), the Emerald Society (Irish). Each organization attempts to establish links with Board members from the corresponding racial/ethnic group.

One respondent detailed the constituency behavior of five of his Board colleagues:

> (Name) represents (section of the City) and that's all... Inner city schools have been raped by the (section of the City) by her threatening and intimidation...She's the typical white racist, narrow-minded person.
>
> (Name) represents a political constituency. She's the big politician on the Board.
>
> (Name) represents Republicans and to a lesser extent Italians.
>
> (Name) probably represents the (section of the City) crowd.
>
> (Name) probably represents a certain percentage of Jewish people.

While the respondent quoted above maintained that he represented the entire City, he stated that "the majority of people in the City want racial and ethnic representation."

One respondent recalled that he did represent an ethnic constituency when he was first appointed to the Board because an ethnic group had asked him to serve and had persuaded the Mayor, at that time, to appoint him. When a Superintendent from the same ethnic background was appointed, the Board member no longer felt this constituency required his representation. Explaining how he, as a Board member, performed this role, he said,

> You (a member of a given ethnic/racial group) are going to get what you're entitled to...If you don't get it for ethnic reasons, I want to know about it. But, if you're a bum and you finished seventh on a test...forget it. I don't want to know about it...You (as a Board member) represent them only to make sure they don't get a dirty deal. You don't represent them for special privilege.

Two Board members explained their opposition to an elected Board as based on rejection of the constituency approach:

> You have a propensity to think the way your friends think, so it's (representing a constituency) an unconscious thing. That's why I'm opposed to an elected Board, because you'd always be looking over your shoulder at a block of votes.
>
> As long as we're not elected, we don't have to represent particular constituencies. That's why I'm opposed to an elected school board.

The widespread perception among Board members, corroborated by the investigator's perception of the public-at-large, that their colleagues actively represent racial/ethnic constituencies in personnel matters, may be associated with several factors both within and outside the school system. Given the existence of strong neighborhood ties and strong racial/ethnic neighborhoods in Philadelphia, helping one's neighbor frequently means helping a member of the same ethnic/racial group. Thus geography and ethnicity are so tightly intertwined that even a district-based election would be likely to produce the same kind of racial/ethnic representational behavior that a majority of Board members reported with the at-large system of appointment.

Second, since Board members serve without pay, they are to some extent expected to want to get some benefits from their role. And since both State law and Home Rule Charter provisions require competitive bidding on virtually all contracts, helping certain people to get jobs or promotions is one of the few benefits available to Board members, notwithstanding competitive examination procedures since, in most instances, an oral examination, which allows for subjectivity, is included.

QUESTION F.--Are there important interest groups in Philadelphia that are not now represented on the Board?

Yes	6
No	0
Don't know	1

QUESTION Fi.--If yes, which interest groups are not now represented?

Spanish-speaking	4
Business	2
Parents	1
Talent	1
Polish	1
Black women	1
Civic organizations	1

QUESTION Fii.--Should these groups be represented on the Board?

Yes	4
No	4

QUESTION F

Board members expressed overwhelmingly the view that important interest groups are not represented on the Board. The Spanish-speaking community was cited most frequently in this regard.

Consistent to a limited extent with the responses to Question E regarding representation of particular constituencies by individual Board members, sentiment was evenly divided as to whether unrepresented interest groups should be represented on the Board. It is curious that seven respondents were against "constituency" representation but only four were against "interest group" representation. Perhaps the connotations of the terms themselves accounts for this difference.

Those who did not favor representation of currently unrepresented interest groups cited reasons similar to those cited in response to Question E:

> I'd like to see the School District run so that fair decisions are always made. Then you don't need anyone to look after any particular group.
>
> The Board should be composed of people who are broad-minded enough to listen to everyone.
>
> You don't have to go out and choose someone just because he's from a particular group...I don't like the idea of having so many Jews and so many Catholics and so many Blacks and so many women...I'm just not convinced that we should have any group represented that way. I feel I'm just as qualified to represent a Black school as I am a white school. I'm not Black, but I feel my integrity is such that I can do it.

While one respondent expressed dislike for the usual operation of pluralistic political system ("You do this for me, I'll do this for you"), another perceived such an operation as giving the Board "a degree of objectivity it needs" with regard to the appointment of a Black woman and an Hispanic. "It would be a voice for vested interest (they) have the kinds of cultural and academic background that needs to be expressed from that point of view."

QUESTION G.--What are the proper roles of the Board and the Superintendent/staff in developing the budget?

Board	
Tell staff financial constraints	4
Determine goals and priorities	2
Establish criteria	2
Suggest cuts	1
Review and question staff recommendations	4
Find new sources of funds (sic sources of additional funds)	1
Staff	
Prepare list of priorities	1
Prepare "needs" budget based on what resources are needed to attain goals	2
Formulate budget reflecting Board's decisions	3
Conduct a continuing analysis of the effectiveness of expenditures	1
Board and staff should jointly formulate initial criteria, guidelines	2

QUESTION Gi.--Was the procedure you suggested followed in the formulation of the 1977-78 budget?

Yes	0
In some respects	5
No	2
Don't know	1

QUESTION C

The final question, regarding the proper division of duties between the Board and the staff in budget development, provided an opportunity for respondents to integrate from previous questions specific feelings about the budget with more general opinions about how the Board ought to function. Question G also provided a partial check on Question B, in which respondents were asked for their perceptions of the Board's role in developing the budget. While Question B was framed in descriptive terms (what is it?), Question G was framed in normative terms (what should it be?).

The most frequent responses (four of eight respondents) were that the Board should tell the staff the financial constraints and then review and question staff recommendations. Four respondents cited the need for criteria or guidelines to determine where cuts should be made. Two Board members felt this was the Board's task and two felt it should be done jointly by the Board and staff.

In contrast to the normative perception of a "quadrille" offered by one Board member, another respondent described the current situation as "constant war," "vicious."

No respondent was satisfied that the proper division of duties was observed in 1977. Five respondents felt that several elements were present then and that, with a minor adjustment, the proper division would result. Two expressed the view that the 1977 experience deviated significantly from what they perceived as proper, and both, specifically, cited the Board's failure or inability to achieve sufficient unity to prevent a "divide and conquer" strategy by the administration.

FINDINGS AND CONCLUSIONS

A. Budget Development Interviews

Prior to January, 1977, when the deficit of the School District for 1977-78 was projected at $173 million, no opportunity had been offered to the community to review resource allocation and discuss the rationale of proposed expenditures with school officials on a line-by-line basis until the proposed budget was made public in late March or early April. In addition, members of the community, including leaders of civic organizations devoted exclusively to public education, had never been made privy to instructions to the staff for preparing their budget requests, goals for cost reduction, the criteria on which decisions about funding levels for all programs and services would be made, or the documents submitted by staff members to justify their requests until the budget was released, if at all.

The extraordinary circumstances which spurred the establishment of the BTF were a $173 million deficit and a recognition that dwindling public support for additional revenue had to be revived if the gap between projected revenues and expenditures was to be narrowed. The BTF gave citizens greater involvement in budget matters and access, at the Superintendent's initiative, to information which had never been released or had been provided so late in the budget process that thorough analysis was difficult.

The sweeping departure from past practices in budget development encountered obstacles of considerable magnitude, chief among which were:

1. Incomplete knowledge of the Superintendent's expectations
2. Lack of cooperation from some school officials
3. Insufficient information for assessing the effectiveness of most programs and services
4. Minimal dissemination of its recommendations
5. Widespread indifference to the recommendations by the Board

The primary results of these obstacles were:

1. The BTF members' perception that their efforts had little, if any - impact on the Superintendent's proposed budget or on the Board's adopted budget, and ,
2. The Superintendent's perception that the BTF had a negative effect on efforts to acquire new revenue because of its emphasis on budget cuts.

B. School Board Interviews

The fragmentation and disunity within the Board are evidenced by virtually no agreement on the board's role, its problems in relating to the staff and the public-at-large, and methods for increasing citizen participation.

It appears that the Board will be unable to serve as a strong and effective link between the school system and the citizenry as long as its internal problems remain unresolved. Thus, whatever new initiatives in community participation evolve are likely to be the Superintendent's; he will have to risk the Board's opposition (at worst) or its indifference (at best) to these efforts, a situation which suggests continuing and perhaps increasing dissatisfaction and impotence on the part of the citizenry.

The BTF as a vehicle for opening the school system to greater influence of persons from outside the system did, as hypothesized, encounter great difficulty, which was exacerbated by the fragmentation and disunity of the Board. By contrast, when a board is functioning well, it ought to facilitate the process of opening the system to citizens since its primary purpose is to link the school system and the community.

Despite the particular problems involved in the operation of the BTF and the general problems of the Board's internal dissension and lack of consensus about its relationship to the staff and the public-at-large, there appears to be a high level of commitment to the idea of citizen participation on the part of the Superintendent, the Cabinet and the Board. The persistence and strength of such commitment suggests greater optimism for the future of citizen involvement in budget development than the disappointing results of the BTF experience may connote.

CHAPTER V

IMPLICATIONS AND RECOMMENDATIONS

School-Community Communication and Interaction

Giving the community access to budget information will not automatically produce support for increased funding levels. Unless school officials can make an effective case to diverse segments of the community, including those who may not be users of the public schools, that its expenditures are both necessary and cost effective, they must be prepared to "cut or be cut." If they are unwilling to pare costs on their own initiative and/or on the advice of community leaders, they are more likely to have imposed on them budget cuts even more drastic than may have been necessary from a purely financial point of view because the taxpayers may feel the need for action that is not just economic but punitive as well.

Philadelphia school officials indicated in interviews for this study overwhelming support for maintaining and expanding citizen participation. It appears, however that they continue to believe that participation and support are synonymous and that they have yet to operationalize their stated belief that the burden of proof rests on the school district to justify its costs. Until these two conditions are remedied it appears that even the most ardent advocates of public education may be tempted to join the taxpayer revolt.

Systematic Planning and Decision-Making

The Philadelphia School District, like many established bureaucracies whose product is not measured in dollar terms and whose function is people-oriented rather than technological, is characterized by crisis management in lieu of systematic planning and decision-making. In terms of budget development, this operating style is associated with two related phenomena: budgeting by accretion and absence of performance data.

When an existing program or service is deemed ineffective and a different approach is required, the new activity customarily is instituted in addition to rather than in place of the old. Likewise, when a new need or demand is identified, a new office and staff customarily is assembled as a discrete organizational entity without attention to how existing offices, personnel and other resources can respond to the newly identified need or demand. Finally, when a need or demand no longer exists, the structure created to respond to is customarily continued rather than being phased out or redirected. When resources are plentiful the system can support these inefficiencies, duplications and/or anachronisms; when resources become scarce, greater discipline is required in modifying, instituting and eliminating programs and services if the organization is to retain fiscal stability and legitimacy. Thus, more rational and systematic methods for making decisions in the budget development process are crucial to the goal of organizational efficiency.

Rationalizing and systematizing the budget development process requires the collection of data on the performance of all programs, services and personnel on a continuing basis and the direct application of this data to resource allocation decisions. These procedures will enable the school district to (1) justify its decisions with a greater degree of objectivity than currently is possible, (2) reduce the inefficient and ineffective use of scarce resources, and (3) prevent the accumulation of large deficits which threaten the stability of the organization and undermine public confidence in it.

The Dynamics of School System Policy-Making and Management

The findings of the case study, particularly from the interviews with Board members (pages), indicate considerable disagreement about the role of the Board and its relationships to the administration and the public-at-large. As a result, there appears to be continuing dissatisfaction on the part of all three parties and continuing lack of clear-cut leadership in educational affairs. A board characterized by internal conflict as to both what is and what ought to be is unlikely to be accountable to the citizens, who are confused about what to expect of it, or useful to school administrators, whose areas of responsibility are not distinguished from the Board's, in shaping the nature and direction of programs.

To remedy this problem, the Board must make a concerted effort, apart from any specific issue before it, to reach consensus about its role, operating principles, relationships within and outside the school system and methods of evaluating its own performance. Outside assistance from state or national school boards associations, the Council of Great City Schools, or independent consultants familiar with Philadelphia school affairs appears to be urgently needed.

Internal Organizational Behavior

In a labor-intensive organization, budget cuts have a traumatic effect on employees. If employees are excluded from the process of deciding where the budget cuts are to be made, while persons whose own careers and incomes are not affected by the cuts are given a role in influencing or making those decisions, the morale of employees will diminish and the productivity of the organization will be impaired.

Similarly, if those who have legal authority and responsibility for proposing or adopting the budget are excluded or given less opportunity for participation than those without such powers and duties, interaction between the administration and the board will be adversely affected.

Attitudes toward and interaction with a task force of community representatives by managers and the board (when the superintendent is convener) or the superintendent (when the board is convener) or all internal personnel (when an external agency is convener or the task force is self-appointed) will be influenced by the internal personnel's perceptions of the degree of respect and importance then have been accorded. Consequently, both the convener(s) and task force members should take specific steps to facilitate successful communication with all internal personnel involved. Such measures include the following: (1) consultation with "insiders" about the creation, purpose and mission of the task force; (2) participation by "insiders" in the decision about what information the task force receives and how it functions; (3) solicitation from "insiders" of recommendations on budget development; (4) provision of access by "insiders" to all meetings at which employees and task force members interact; (5) communication to "insiders" of the progress of the task force; and (6) dissemination of the task force's final product to "insiders" with the (7) opportunity for "insiders" to respond to recommendations or decisions that directly affect them.

The Rate of Initiating Change

The BTF was a sudden and dramatic departure from the usual role of citizens in budget development. None of the parties brought to the effort any specific comparable experience, except perhaps, the BTF member who had served on the Title I (ESEA) Parent Advisory Committee. Managers who had never been asked to explain their budgets to citizens were required not only to explain them, but to justify them as well. Citizens who had traditionally served as advocates for the school system and active supporters of its efforts to increase revenues, were not only asked to suggest where $100 million could be cut from the budget, but also discovered that they could come close to this goal without serious detriment to the instructional program. The Superintendent and Cab-net members, who had fought unsuccessfully behind-the-scenes for cuts in certain programs and services favored by individual Board members as well as the Mayor and other powerful political figures, found themselves squeezed between supporting Board actions with which they disagreed and opposing BTF proposals with which they concurred. The Board itself, unable to cope with internal dissension, found its own discretion and authority jeopardized by volunteer "outsiders" who knew far more about the budget than they and who were not reluctant to single out projects favored by Board members for sharp public criticism.

From this myriad of inexperience and discomfort comes the implication that the BTF was far more of a jolt to the system than the system could reasonable be expected to absorb. A phased approach with careful planning and preparation allowing all participants to adjust gradually to changes in community participation in budget development is likely to be less threatening and therefore more effective and more likely to be incorporated as an on-going aspect of the budget development process.

Political Demands

Because the Philadelphia Board of Education is appointed by the Mayor and thus, according to Pennsylvania law, cannot have independent taxing power, the political demands on the school system from City Hall are particularly strong, and several areas of the Operating Budget are particularly vulnerable to Mayor influence. The Municipal Services item covers the costs of tax collection and assessment services provided by patronage employees hired by the City. Transportation is required by the Commonwealth to be provided equally for public and non-public school students with the latter group including primarily the parochial school population which represents a large share of the Mayor's constituency. While the School District is theoretically free of patronage employees, with the exception of the Municipal Services area, the hiring of non-professionals whose jobs do not require prior education, experience, or training is subject to the direct intervention of the Mayor and/or his appointed Board members.

While the Superintendent may be deeply committed to protecting the basic instructional program while being forced to make substantial cuts in expenditures, political demands often dictate that reading aides be sacrificed while patronage employees are retained. Such a situation is likely to exist even when an elected, fiscally independent Board exists because Board members will have their own political agendas. Thus, the response to the problem of political demands is not changing the method of Board selection but assuring that people on the Board are there because they place priorities on direct instruction and managerial efficiency even when such priorities undermine their personal political influence.

Another set of political demands on budget development comes from employee unions, particularly the 20,000-member Philadelphia Federation of Teachers, which won collective bargaining rights in 1965. Contractual provisions regarding salaries and wages, fringe benefits, class size, preparation time and release from non-teaching duties severly limit the Superintendent's and Board's discretion in budget cuts because of the fear of a strike.

While it is difficult to win back benefits that have already been granted to the union, such an outcome may be necessary if the School District is to keep expenditures in line with revenues while complying with existing state and federal mandates.

CHAPTER VI

POSTSCRIPT

On March 25, 1977, the Superintendent submitted to the Board a Proposed Operating Budget of $684 million and a list of staff-proposed target reductions of $22 million. Revenues at that time were projected at $511 million. Unable to meet payroll for the remainder of the 1976-77 fiscal year, the School District sought short-term loans from local banks, who refused to grant such loans without a balanced budget. Therefore on May 31, 1977 the Board adopted a $511 million budget which necessitated $173 million in cuts from the Superintendent's March proposal. These cuts included the elimination of approximately 10,000 jobs from a payroll of 27,000.

During the summer intense efforts were undertaken to acquire additional revenue. The Connomwealth adopted a revised subsidy formula which added $20 million. A $14 million State grant to the local courts was promised by the City to the School District. The City added $20 million from its own revenues. The State delayed repayment of a previous $30 million advance payment. A consortium of local banks and insurance companies agreed to loan $50 million to be spent in 1977-78 and repaid over a five-year period at an interest cost of $14 million.

On August 31, 1977 the Board adopted a revised budget of $645 million which included $64 million in new state funds, $20 million in new city funds and the $50 million loan. All but $49 million of the $173 million cut in May was restored and 7500 of the 10,000 laid-off employees were recalled. The brunt of the cuts was borne in Maintenance and Operations and the outcome was described as a "dirty schools budget."

In October, when the School District sought Common Pleas Court approval for the $50 million loan as required under the Commonwealth's Local Government Unit Debt Act, a challenge was posed by Citizens Committee on Public Education, which had been represented on the BTF and whose President was the investigator for this study. The Court found in favor of the intervenors' contention that the deficit was anticipated and therefore could not be covered by a loan. To avoid cutting the budget by $50 million, which would be required to balance the budget without the loan to assure short-term borrowing, the School District succeeded in obtaining legislative amendment of the Local Government Unit Debt Act to exclude the Philadelphia School District on a one-time basis.

The development of the 1978-79 Operating Budget was also controversial. To balance the budget and keep expenditure increases within the seven percent limit dictated by the lenders, the School District was required to cut $61 million out of a "stand-still" budget. The Superintendent recommended and the Board adopted a budget which included savings of $31 to be achieved through increasing class size and reducing the number of preparation periods allotted to teachers. These cuts were adopted by the Board in the course of collective bargaining for a new contract between the School District and the Philadelphia Federation of Teachers, 2100 of whose members were laid off in anticipation of these cuts. A strike ensued, delaying the opening of school for two days, and the contract agreed to include the restoration of 1977-78 class size and preparation time standards and all jobs by February, 1979 as well as a pay increase of fifteen percent to be paid in three installments during the second year of the contract (1979-80).

As of this writing, the financial community, which agreed to waive its seven percent cap on increased expenditures, refused to approve the agreement because the Board had failed to balance the budget, an effort requiring a combination of increased revenues and decreased expenditures totaling $16 million.

In both the granting of the loan in 1977 and the settlement of the strike in 1978, Mayor Rizzo was credited with a crucial role.

Clearly, the School District continues to have great difficulty developing a budget which emphasizes education, satisfies the political powers and is acceptable to employee unions. Barring a substantial change in the political climate of the city, it appears doubtful that greater efficiency and effectiveness in the allocation of increasingly scarce school resources can be achieved.

FOOTNOTES

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[30] Ibid., p. 201.

[31] Idem.

[32] Cronin, op. cit., p. 9.

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THE SCHOOL DISTRICT OF PHILADELPHIA
BOARD OF EDUCATION
21ST STREET S. OF THE PARKWAY
19103

OFFICE OF THE SUPERINTENDENT OF SCHOOLS

30
Appendix

January 13, 1977

Ms. Debbie Weiner
CCPEP
1218 Chestnut Street
Philadelphia, PA 19107

Dear Ms. Weiner:

The School District invites CCPEP to participate in the budget development process and to serve with members of the Budget Review Committee.

For the first time, the School District is inaugurating a process which will, hopefully, become a zero base budget system. In addition to using the familiar budget forms that were used for the past three years, program managers have been asked to develop "Decision Packages" for all of their activities. These "Decision Packages" will form the basis for a review prior to the preparation of the final budget.

Your participation at this time, is in contrast to previous years when you received the budget document after it had been completed In this manner, we are providing for the greatest possible participatio during the preparation phases of the School District's budget.

Enclosed, herewith, are sample copies of the budget forms together with instructions for their preparation. These have been sent to our activity managers and will become the basis for the review of each activity. It is our plan to review these "Decision Packages" during the period January 17 through February 18; the recommendations of this Budget Review Committee will be made to the Superintendent by February 22.

If you accept this invitation to participate in the budget development process, please notify this office as soon as possible.

We are happy to include CCPEP as a member of the 1977-78 budget review team.

Sincerely,

Michael P. Marcase

MPM/db

Michael P. Marcase
Superintendent

Encl.

cc: Dr. Robert L. Poindexter
Mr. John D. Yockey

1/17 John Gerard ([illegible]), Edna Irving ([illegible]), Thatcher Longstreth ([illegible])
Lynn Roberts (PU)

M) Purpose- launch review process for '78 budget
budget materials already distributed to all depts.
2 dramatic changes
1. zero based budgeting
clearly defined goals, statement of how program
serves instruction, impact of reduction, level
of operation at 15% reduction (last item
"sent shock waves through system"), no staff [illegible]
2. This group will attend review sessions of every [illegible]
make recs. for changes

[illegible]) 5 week process
150 activities
Instr., FO, Managing Dir., Supt.
final meeting - overview
recs. for action

M) probably $100m out of $600m are non-mandated expenses
aim for $42m cuts

Appendix C

THE SCHOOL DISTRICT OF PHILADELPHIA
BOARD OF EDUCATION
21ST STREET S. OF THE PARKWAY
19103

MICHAEL P. MARCASE
SUPERINTENDENT OF SCHOOLS

TELEPHONE (215) 299-7823, 7824

December 15, 1976

TO: Program Managers

FROM: Michael P. Marcase

SUBJECT: 1977-78 Operating Budget Requests

The School District faces a serious revenue shortfall in fiscal year 1976-77. Hard earned savings generated by a limited job freeze and other economies have been largely offset by the impact of inflation, new contracts, policy changes and State mandates. At the same time, no significant increases in revenues have been realized to the present date. The budget gap stands at $67 million. Our intensive efforts to obtain additional revenues for this fiscal year and for the future will continue. Without a significant increase in Operating revenues, the School District will face a severe financial problem in fiscal year 1977-78.

It is essential that every project and program be reassessed and re-evaluated, and every non-mandated activity be critically analyzed in terms of direct educational services to students in a concentrated effort to eliminate all unnecessary items of expenditure.

Requests for new or expanded programs will be permitted only if offsetting trade-offs are provided. The current level of personnel must not be increased, and must be decreased proportionately with anticipated declines in enrollments. Further, although inflation of equipment, supplies and materials may increase by 6% or more, we can allow only a ceiling of 2% increases in those categories.

The budgets you submit for fiscal year 1977-78 must also reflect the economies generated by the Business Aide/Management Implementation Team effort.

As the first step in initiating a Zero Base Budget (ZBB) process, budgets will be reviewed by a comprehensive Budget Review Committee, the Budget Division, the Cabinet, and the Board of Education.

Your full cooperation in following these guidelines for budget requests will be deeply appreciated.

Michael P. Marcase

MPM/jb

cc: Members of the Board of Education
Budget Review Committee Members

[illegible] Decision Package (p. 1 of 2)	SCHOOL DISTRICT OF PHILADELPHIA	Organizational Unit: Instructional Services
Package Manager: Marjorie Farmer	1977-78 OPERATING BUDGET	Program: Instructional Services # 18
		Activity: Reading/English Language Arts #015

Statement of Function: The Division of Reading/English Language Arts provides leadership, supervision, services and resources for the comprehensive English/Reading/Communications program in the schools (K-12). This includes the teaching of all the language competencies-- listening, speaking, reading, and writing, as well as activities based on these skills: creative writing, journalism, speech arts, appreciation of literature and the mass media. A major responsibility is leadership of the School District Reading and Writing Programs. This Division administers among others the ESEA Title I Reading Program, the Functional Literacy Program, Summer Language Arts Reading Camps (LARC), Improvement of Reading Skills A & C, the Primary Reading Skills Centers, The Annette & Henry [illegible] - Reading is Fundamental Fund, and sponsors essay and debate contests.

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Major Goals and Objectives: The Division of Reading/English Language Arts develops programs and activities designed to:

1. Increase the level of professional competency in this area among classroom teachers, content area teachers, Reading, English, Language Skills teachers, department heads, supervisory and administrative personnel.
2. Provide guidelines, curriculum materials, instructional strategies, assessment vehicles, management systems, and other resources for Reading/English Language Arts.
3. To develop and/or support exemplary Reading/English Language Arts programs.
4. To provide guidelines, coordination, and leadership for the Comprehensive Reading/Writing projects citywide.
5. To provide staff development for our Administrative and Supervisory personnel in Reading and English Language Arts. This group in turn provides staff development for field personnel.
6. To provide staff development for leadership personnel of other curriculum divisions.

Benefits to Students:

1. A comprehensive reading/writing program citywide which should lead to increased pupil achievement in these areas.
2. Expanded work in reading and writing in all the content areas which should help raise levels of achievement.
3. Extension of competency based instruction to include oral language and written expression areas which should improve the ability of pupils to communicate effectively.
4. To develop the application of reading/writing skills to functional literacy activities so that all students graduating from our schools will be assured of being functionally literate.

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[illegible] Decision Package (p. 2 of 2) | SCHOOL DISTRICT OF PHILADELPHIA | Organizational Unit: Instruc[illegible]l Servic
Activity Manager: Marjorie Farmer | 1977-78 OPERATING BUDGET | Program: Instructional Services
Activity: Reading/English Language Arts

[illegible] Relationship to Systemwide Goals:

The number one systemwide goal is the *(1) "development of reading, writing and computational skills in all students." Proficiency in language arts would also help to develop the following other basic systemwide goals:

II. development of constructive citizenship
III. development of occupational skills essential for entrance into, and success in, business and industry
IV. preparation of young people for further higher and continuing education
V. providing a complete and well rounded educational program for all students, contributing to... creativity, and aesthetic appreciation, and to an understanding of... the language and culture of people throughout the world
VII. development in all students of an understanding and appreciation of persons of other social, cultural, and ethnic groups

*See "Education for All Students - The Systemwide Goals" - by Dr. Michael Marcase

[illegible] Methods for Measuring Effectiveness:

Standardized tests, Criterion-Referenced Tests, Functional Literacy Tests, and other less formal methods of evaluation will be used to measure the effectiveness of the program.

[illegible] 1977-78 Resources Required: $ 797,719 No. of Personnel 26

[illegible] Business Aide - Management Implementation Team:

ding Ds: [illegible]ecision Package -
ifteen Percent(15%)Reduction Level(p.1 of 2)
tivity Manager: Marjorie Farmer

SCHOOL DISTRIC[illegible]F PHILADELPHIA

1977-78 OPERATING BUDGET

Organizational Unit: Instruct[illegible]l Service
Program: Instructional Services # 18
Activity: Reading/English Language Arts #015

rogram of Implementation of Reduction:

In order to achieve the required 15% reduction level, it is recommended that the position of Collaborating Teacher be eliminated from this budget (5). Collaborating Teachers are presently serving in Districts 3, 7, and 8.

onsequences of Reduction:

Collaborating Teachers provide essential first line staff development and instructional support services to teachers, administrators, and parents. Professional research studies and our own practical experience have established the importance of on-site staff development service as a key element in the improvement of instruction in reading and the related language competencies.

The impact of this reduction is likely to be most costly to the instructional program in Districts 7 and 8, where no District supervisors of Reading/Language Arts are provided under present funding — [illegible] [illegible] [illegible] [illegible]

pact on State, Contractual or Other Mandates:

The School District's basic mandate for the improvement of student achievement in the key language-communication competencies will necessarily be affected adversely by such a reduction in essential instructional support.

een Percent(15%)Reduction Level(p.2 of 2)
tivity Manager:

1977-78 OPERATING BUDGET

Organizational Unit: Instructional Servic
Program: Instructional Services #
Activity: Reading/English Language Arts

vel Resources Required: $ 678,060 No. of Personnel 21

uction Over Current 1976-77 Level of Funding: $ 45,199 No. of Personnel 5

imum Level of Funding Required by
Mandate or Contractual Obligation: $ 0 No. of Personnel

act of Business Aide - Management Implementation Team:

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nts:

It is recommended that this budget (Program 18 -- Activity 015) be reviewed in conjunction with the related budget (Program 33 -- Activity 249), as jointly comprising funding for the citywide reading effort.

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